

PUBLIC NOTICE
AGENDA
LOCKHART CITY COUNCIL
March 19, 2024
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 except to the extent specifically authorized under the Texas Open Meetings Act.

DISCUSSION ONLY

- A. Presentation of a proclamation declaring March 19, 2024 as Cesar Chavez Farm Worker Appreciation Day. **4-4**
- B. Presentation and discussion of the City of Lockhart and the Lockhart Economic Development Corporation's Fiscal Year 2022-23 Annual Comprehensive Financial Report (annual financial audit) by BrooksWatson & Company, PLLC., an independent public accounting firm. **5-229**
- C. Discuss 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). **230-242**
- D. Discuss City Council minutes of the March 21, 2023, April 4, 2023, April 18, 2023, and May 2, 2023 meetings. **243-268**
- E. Discuss a Cost Participation and Easement Agreement with Stich Interests, LLC for development of a new wastewater utility easement and authorizing City participation in a project to replace an aging wastewater line at 519 West San Antonio Street. **269-295**
- F. Discuss Interlocal Cooperation Contract with Texas Department of Public Safety for the Failure to Appear Program (OMNI base.) **296-307**
- G. Discuss agreement with Techline Construction, LLC for Project 5B as part of the City of Lockhart's five-year System Study and Capital Plan as prepared by the Lower Colorado River Authority (LCRA). **308-316**
- H. Discuss Resolution 2024-09, declaring intent to seek certification from the International Dark Sky Association and to regulate outdoor lighting in accordance with the requirements of Section 3000.002 of the Texas Local Government Code. **317-324**

- I. Discuss Ordinance 2024-08 regulating sexual offenders from loitering or establishing residency around locations where children regularly congregate. **325-336**
- J. Discuss Resolution 2024-10 to select a grant administration service provider to complete an application and with funding, project implementation for the General Land Office (GLO) CDBG-MIT Method of Distribution project and authorize the City Manager to sign contract with selected firm. **337-339**
- K. Discuss Resolution 2024-11 to select an engineering firm to assist in the project implementation including design and construction oversight for the General Land Office (GLO) CDBG-MIT Method of Distribution project and authorize the City Manager to complete negotiations with selected firm and sign contract. **340-343**

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. **CONSENT AGENDA**
 - A. Approve City Council minutes of the March 21, 2023, April 4, 2023, April 18, 2023, and May 2, 2023 meetings. **344-369**
 - B. Approve Interlocal Cooperation Contract with Texas Department of Public Safety for the Failure to Appear Program (OMNI base.) **370-381**
- 5. **DISCUSSION/ACTION ITEMS**
 - A. Presentation, discussion and/or action of the City of Lockhart and the Lockhart Economic Development Corporation's Fiscal Year 2022-23 Annual Comprehensive Financial Report (annual financial audit) by BrooksWatson & Company, PLLC., an independent public accounting firm. **5-229**
 - B. Discussion and/or action to enter a Cost Participation and Easement Agreement with Stich Interests, LLC for development of a new wastewater utility easement and authorizing City participation in a project to replace an aging wastewater line at 519 West San Antonio Street. **384-410**

- C. Discussion and/or action to consider an agreement with Techline Construction, LLC for Project 5B as part of the City of Lockhart's five-year System Study and Capital Plan as prepared by the Lower Colorado River Authority (LCRA). **411-419**
- D. Discussion and/or possible action on Resolution 2024-09, declaring intent to seek certification from the International Dark Sky Association and to regulate outdoor lighting in accordance with the requirements of Section 3000.002 of the Texas Local Government Code. **420-427**
- E. Discussion and/or action to consider Ordinance 2024-08 regulating sexual offenders from loitering or establishing residency around locations where children regularly congregate. **428-439**
- F. Discussion and/or possible action on Resolution 2024-10 to select a grant administration service provider to complete an application and with funding, project implementation for the General Land Office (GLO) CDBG-MIT Method of Distribution project and authorize the City Manager to sign contract with selected firm. **440-442**
- G. Discussion and/or possible action on Resolution 2024-11 to select an engineering firm to assist in the project implementation including design and construction oversight for the General Land Office (GLO) CDBG-MIT Method of Distribution project and authorize the City Manager to complete negotiations with selected firm and sign contract. **443-446**

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

- Police Lieutenant promotional exam will be held March 20, 2024.
- KidFish at City Park rescheduled to March 23rd at 9:00 a.m. - 12:00 p.m.
- Citywide Spring Clean Up Program on Saturday, March 23, 2024.
- Splash pads are scheduled to open March 30, 2024.
- Animal Shelter Improvements Update.

7. COUNCIL AND STAFF COMMENTS - ITEMS OF COMMUNITY INTEREST

8. 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 15th day of March, 2024 at 2:30 p.m.

Proclamation

- WHEREAS,** Cesar E. Chavez was a Mexican-American farm worker who became a great force for social change and justice through non-violence as a union leader, civil rights leader, environmentalist and humanitarian; and,
- WHEREAS,** the strength of his vision, power of his leadership, and his insistence on non-violent tactics stood in stark contrast to the bitterness and brutality used in resistance enabling him to take his struggle directly to the American people; and,
- WHEREAS,** he focused our Nation's attention on the economic and social plight of migrant farm workers and, in the process, taught us how injustice anywhere affects us everywhere; and,
- WHEREAS,** Americans throughout the country will honor the life, work, and values of Cesar E. Chavez by serving their communities; and,
- WHEREAS,** in honor of Cesar Chavez Day, on March 20, 2012, the Lockhart City Council officially named the SH-130 Frontage Road within the city limits as "Cesar Chavez Parkway".

NOW, THEREFORE, I, Lew White, by the authority vested in me as Mayor of the City of Lockhart, Texas, do hereby proclaim

March 19, 2024
as
"Cesar Chavez
Farm Worker Appreciation Day"

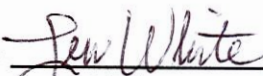
IN TESTIMONY WHEREOF, I have hereto set my hand caused to be affixed the Seal of the City of Lockhart, Texas, this the 19th day of April, 2024.

ATTEST:


Julie Bowermon
City Secretary



CITY OF LOCKHART


Lew White
Mayor

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 19, 2024

AGENDA ITEM CAPTION: Presentation and discussion of the City of Lockhart and the Lockhart Economic Development Corporation's Fiscal Year 2022-23 Annual Comprehensive Financial Report (annual financial audit) by BrooksWatson & Company, PLLC., an independent public accounting firm.

ORIGINATING DEPARTMENT AND CONTACT: Finance - Keeli Michna

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 third year for BrooksWatson & Company, PLLC to perform the City's annual audit. City staff is currently working with BrooksWatson & Company, PLLC to extend audit services through FYE 2025. This mutually desired agreement will be brought to City Council at a future meeting.

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 2023 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.

The City has been awarded a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for four consecutive years. The current Annual Comprehensive Financial Report for FYE 2023 will be submitted to the GFOA to determine eligibility for another certificate.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:

City of Lockhart, Texas

Council Agenda Item Cover Sheet

Funds Required:
Account Number:
Funds Available:
Account Name:

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends acceptance of the audited FY 2022-2023 Annual Comprehensive Financial Report.

LIST OF SUPPORTING DOCUMENTS: Annual Comprehensive Financial Report 9.30.2023

CITY OF
LOCKHART, TEXAS

308 W. SAN ANTONIO ST. | LOCKHART, TX 78644
WWW.LOCKHART-TX.ORG | 512.398.3461

2023

**ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT**

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2023





***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

of the

City of Lockhart, Texas

**For the Year Ended
September 30, 2023**

Prepared by

Finance Department



City of Lockhart, Texas

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INTRODUCTORY SECTION





March 15, 2024

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, 2023, 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, 2023. 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 are 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 most recent U.S. Census Bureau reporting, the estimated population of the City of Lockhart is 14,985, 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 14,985 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 populations of approximately 14,985 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.

In 2020, the COVID-19 pandemic created an unprecedented situation for the City of Lockhart and for every municipality across the United States, but with it brought the passage of the Coronavirus Aid, Relief and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 and the American Rescue Plan Act (ARPA) of 2022. Through these federal programs, states received money to distribute to local governments.

The City of Lockhart received an allotment from CARES of \$763,895. After the final draw from the CARES Relief Program in 2021, 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, necessary improvements in water, sewer, or broadband infrastructure (whether related or not to COVID-19), and revenue replacement. The City Council approved the spending of ARPA funds in Fiscal Year 2022 for the much needed improvements to water and sewer infrastructure and revenue replacement. Revenue replacement funds have been

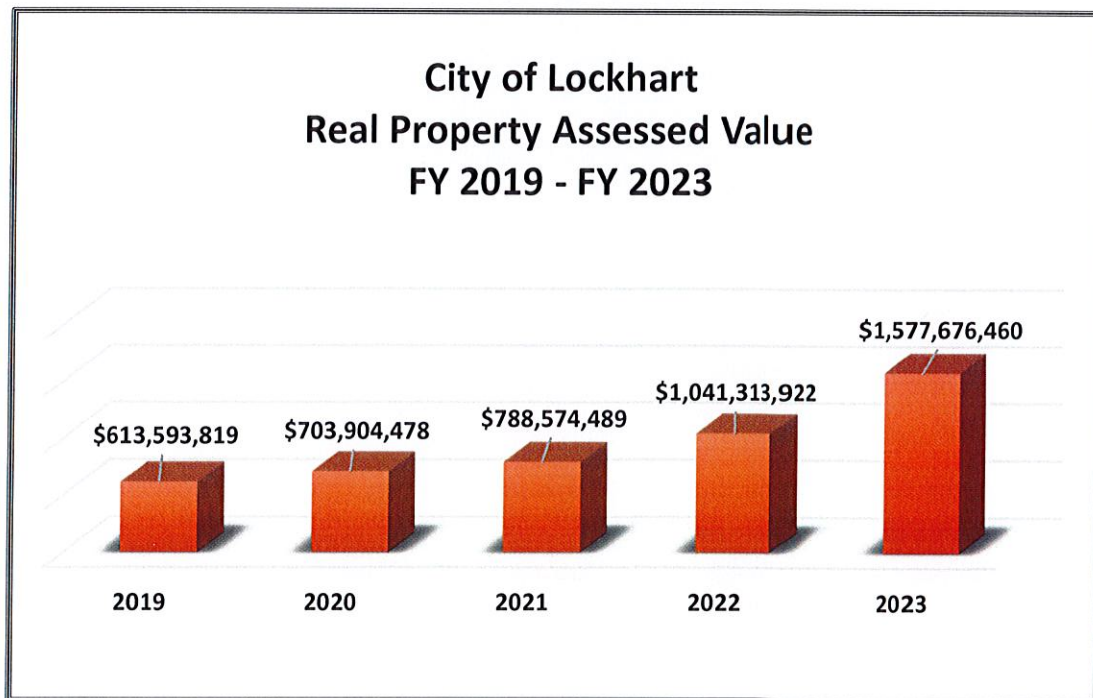
allocated towards multiple park improvements. These projects and improvements continued through Fiscal Year 2023.

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. The City is growing at a steady rate, increasing more than 9% over ten years. The growth of Austin and San Antonio metro areas is spreading toward Lockhart but at a slower pace than neighboring counties.

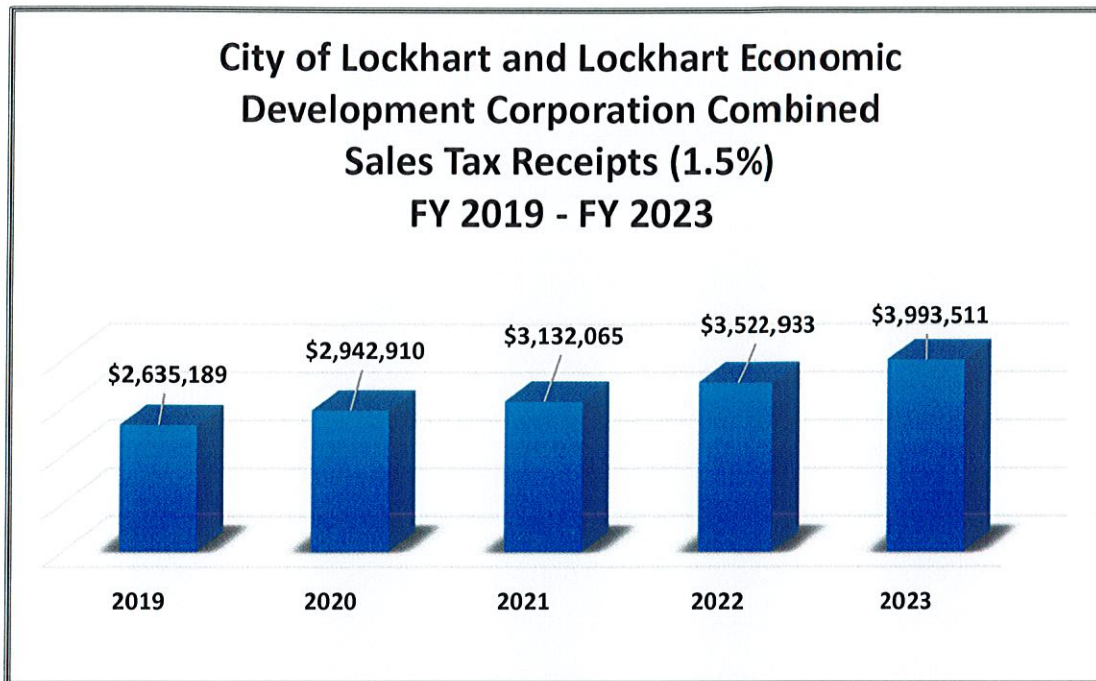
In 2023, the Lockhart Economic Development Corporation (LEDC) completed a refresh of their Strategic Target Industries Plan to assist in attracting businesses in alignment with the future commercial and industrial needs of the community. In addition, LEDC made significant progress with the following projects:

- Ziegenfelder Company broke ground at its future facility at Lockhart Industrial Park III.
- McCoy Building Supply broke ground at its future retail facility along U.S. 183.
- Titan Development broke ground and constructed its first industrial warehouse at Lockhart Industrial Park III.
- Facilitated the RealCold Storage move to Lockhart.

The City experienced consistent growth in real property assessment values from Fiscal Year 2019 through 2023 (see chart below). The City anticipates this positive trend to continue due to the construction of multiple subdivisions and the increase in assessed values of current properties; both are attributable to an increase in local population and growth pressures of Central Texas on the regional housing market.



The last five years the City of Lockhart has seen a significant increase in collections of the total 1.5% tax rate on retail sales within the city due to new businesses and a healthy area economy. The 1.5% rate is comprised of 1% allocated to the City's General Fund and 0.5% allocated to the Lockhart Economic Development Corporation. Sales tax collections for 2023 were at an all-time high according to the City's revenue history.



Long-term Financial Planning

The City Council approved a budget that maintained fund balance at 30% for Fiscal Year 2023. This is above the 25% minimum reserve required by the Fund Balance – Stabilization and Excess of Reserves Policy. The City of Lockhart’s sound financial position is apparent because of its conservative budgeting practices, as evident from its strong fund balances.

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.

Upon completion of the FY 2021 audit, the City's external auditor, BrooksWatson & Company, made two recommended additions to the City's Financial Policy. The first concerned uncollectible debt and the second addressed the GASB 87 statement regarding capital leasing. In Fiscal Year 2023, a revised financial policy was approved to include these recommendations.

These policy amendments reaffirm the City of Lockhart's commitment to strengthen our financial policies in alignment with current best practices in governmental accounting and incorporate recommendations from our annual audit review process.

Major Initiatives

The City of Lockhart issued debt in 2022 by a Limited Tax Note Series for \$4,050,000. The purpose of the debt was 1) improvement to wastewater system lines, 2) acquiring and equipping a bucket truck, 3) public safety improvement including acquisition of a fire truck, and 4) street and sidewalk improvements. The City approved the requisition of the bucket truck and fire truck in Fiscal Year 2023. In addition, the improvements to wastewater system lines and street and sidewalk improvements also continued through the fiscal year.

In alignment with the Strategic Goals Plan approved by City Council, the City 1) hired an Assistant City Manager, 2) procured a consulting firm to update the Parks and Open Space Master Plan, 3) and approved the historic downtown revitalization design and construction plans in Fiscal Year 2023.

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 for Excellence in Financial Reporting

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, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual 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.

Acknowledgements

We would like to express our sincere appreciation to the City's employees for their dedication and commitment to the City, especially those responsible for the maintenance of records upon which this report is based. The preparation of this report would also not have been possible without the skill, effort, and dedication of the entire staff of the Finance and Administration Departments. Acknowledgement is given to representatives of BrooksWatson & Company, PLLC for their assistance in producing the final product.

Finally, appreciation is given 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,

A handwritten signature in blue ink, appearing to read "Steve Lewis".

Steve Lewis, City Manager

A handwritten signature in blue ink, appearing to read "Keeli Michna".

Keeli Michna, 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, 2022

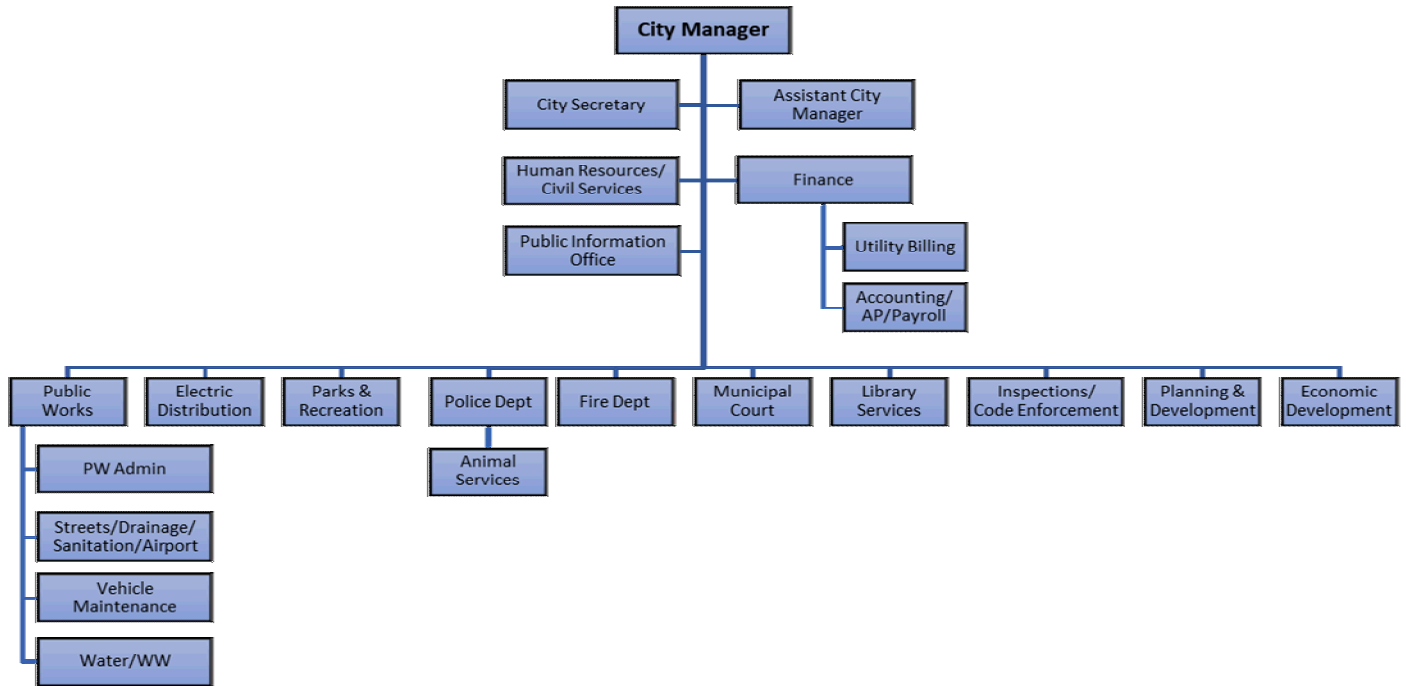
Christopher P. Morill

Executive Director/CEO

City of Lockhart, Texas

ORGANIZATIONAL CHART

For the Year Ended September 30, 2023



City of Lockhart, Texas
ELECTED AND PRINCIPAL OFFICIALS
September 30, 2023

City Council

Lew White	Mayor
Angie Gonzales-Sanchez	At-Large
Brad Westmoreland	At-Large
Juan Mendoza	District 1
John Castillo	District 2
Kara McGregor	District 3
Jeffrey Michelson	District 4

Principal Officials

Steve Lewis	City Manager
Joseph Resendez	Assistant City Manager
Pam Larison	Finance Director
Julie Bowermon	City Secretary/Human Resources Director
Gary Williamson	Police Chief
Randy Jenkins	Fire Chief
Sean Kelley	Director of Public Works



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, 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, 2023, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 of Lockhart, Texas, as of September 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Lockhart, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note V.G. to the financial statements, due to the implementation of GASB Statement No. 96, Subscription-Based Information Technology Arrangements, the governmental activities restated capital assets and long-term liabilities. 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over

financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, flowing script.

BrooksWatson & Co.
Certified Public Accountants
Houston, Texas
March 15, 2024

City of Lockhart, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2023

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, 2023. 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, 2023 by \$63,698,048. Of this amount, \$15,213,483 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$16,583,834. 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 \$18,971,875 at September 30, 2023, an increase of \$921,663 from the prior fiscal year; this includes an increase of \$1,527,455 in the general fund and a decrease of \$605,792 in the nonmajor governmental funds.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$9,138,171 or 65% 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.

City of Lockhart, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2023

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 30-35 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*.

City of Lockhart, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2023

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 balance for the general fund which is considered to be a major fund. 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, three capital projects, and various special revenue funds. A budgetary comparison statement has been provided for each governmental fund with an adopted budget to demonstrate compliance with their respective budget.

The basic governmental fund financial statements can be found on pages 36-39 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 electric, water and wastewater utilities, sanitation, EMS, and airport 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 40-49 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 53-102 of this report.

City of Lockhart, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2023

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 and deferred outflows exceeded liabilities and deferred inflows by \$63,698,048 as of September 30, 2023, in the primary government.

The largest portion of the City's net position, \$37,229,132 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 \$11,255,433 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$15,213,483 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.

City of Lockhart, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2023

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2023			2022		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 20,677,927	\$ 23,862,061	\$ 44,539,988	\$ 19,516,345	\$ 18,990,527	\$ 38,506,872
Capital assets, net	27,569,271	66,681,875	94,251,146	20,594,127	67,193,926	87,788,053
Total Assets	48,247,198	90,543,936	138,791,134	40,110,472	86,184,453	126,294,925
Deferred Outflows of Resources	2,693,454	734,684	3,428,138	1,284,768	418,436	1,703,204
Other liabilities	3,056,731	5,871,618	8,928,349	2,965,820	4,086,685	7,052,505
Long-term liabilities	16,370,605	53,063,786	69,434,391	14,208,500	57,292,569	71,501,069
Total Liabilities	19,427,336	58,935,404	78,362,740	17,174,320	61,379,254	78,553,574
Deferred Inflows of Resources	126,582	31,902	158,484	1,848,364	481,977	2,330,341
Net Position:						
Net investment in capital assets	17,776,524	19,452,608	37,229,132	11,546,567	15,404,957	26,951,524
Restricted	6,072,719	5,182,714	11,255,433	5,667,375	2,626,781	8,294,156
Unrestricted	7,537,491	7,675,992	15,213,483	5,158,614	6,709,920	11,868,534
Total Net Position	\$ 31,386,734	\$ 32,311,314	\$ 63,698,048	\$ 22,372,556	\$ 24,741,658	\$ 47,114,214

Current and other assets of the primary government increased by \$6,033,116 or 16% due to greater cash on hand resulting from current year operating surpluses and receivables as of yearend. Other liabilities of the primary government increased \$1,875,844 or 27% primarily as a result of an increase in the current portion of long-term debt obligations. Long-term liabilities for governmental activities increased by \$2,162,105 due an increase in the City's net pension liability. Capital assets in business-type activities decreased by \$512,051 or 1% primarily due to depreciation, as well as a reduction in the of the Carrizo water supply project associated with the Guadalupe-Blanco River Authority, due to the entrance of new participants. Governmental activities capital assets increased \$6,975,144 due to continued investment in the City's infrastructure as well as developer contributions totaling \$6,211,919 during the year.

City of Lockhart, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2023

Statement of Activities:

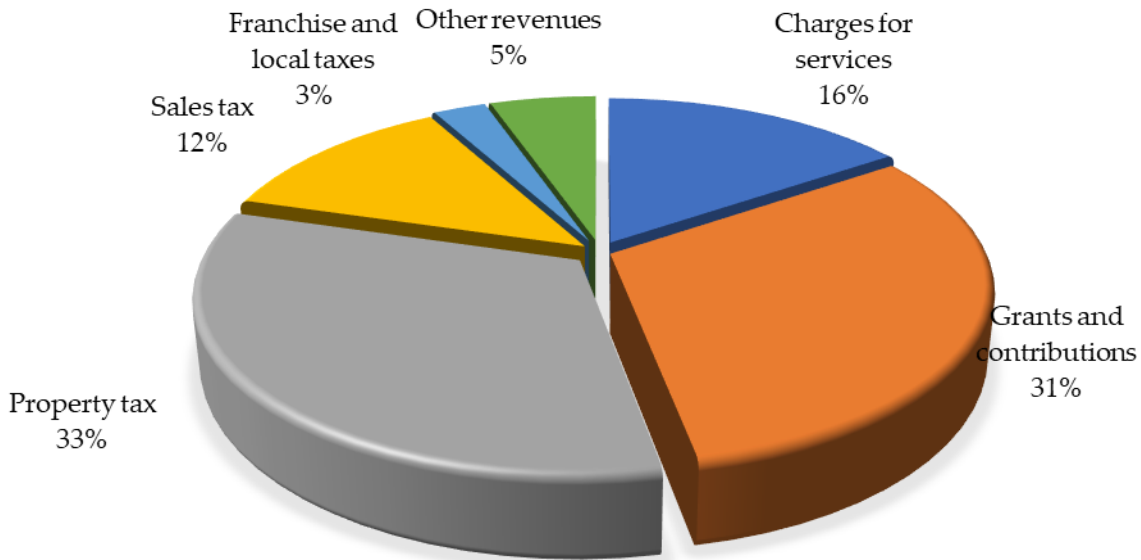
The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2022			For the Year Ended September 30, 2021		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 3,398,491	\$ 26,603,844	\$ 30,002,335	\$ 1,976,561	\$ 23,034,726	\$ 25,011,287
Operating grants	472,563	-	472,563	2,205,060	-	2,205,060
Capital contributions	6,386,889	5,653,224	12,040,113	211,854	196,038	407,892
General revenues:						
Property tax	7,114,477	-	7,114,477	5,801,092	-	5,801,092
Sales tax	2,712,526	-	2,712,526	2,392,769	-	2,392,769
Franchise & local taxes	582,849	-	582,849	585,018	-	585,018
Investment income	893,878	841,201	1,735,079	125,718	114,001	239,719
Other revenues	283,470	39,302	322,772	213,151	149,689	362,840
Total Revenues	21,845,143	33,137,571	54,982,714	13,511,223	23,494,454	37,005,677
Expenses						
General government	2,165,947	-	2,165,947	1,967,143	-	1,967,143
Public safety	6,937,475	-	6,937,475	6,168,414	-	6,168,414
Public works	2,930,612	-	2,930,612	2,684,964	-	2,684,964
Health and welfare	18,264	-	18,264	23,439	-	23,439
Culture and recreation	1,481,117	-	1,481,117	1,215,110	-	1,215,110
Comm. development	2,003,675	-	2,003,675	905,103	-	905,103
Interest & fiscal chrgs.	396,858	1,554,702	1,951,560	390,198	1,544,855	1,935,053
Electric	-	10,861,958	10,861,958	-	9,953,109	9,953,109
Water	-	4,913,046	4,913,046	-	4,063,290	4,063,290
Wastewater	-	1,546,526	1,546,526	-	1,789,326	1,789,326
Nonmajor enterprise	-	3,588,700	3,588,700	-	3,133,049	3,133,049
Total Expenses	15,933,948	22,464,932	38,398,880	13,354,371	20,483,629	33,838,000
Change in Net Position						
Before Transfers	5,911,195	10,672,639	16,583,834	156,852	3,010,825	3,167,677
Transfers	3,102,983	(3,102,983)	-	2,885,430	(2,885,430)	-
Total	3,102,983	(3,102,983)	-	2,885,430	(2,885,430)	-
Change in Net Position	9,014,178	7,569,656	16,583,834	3,042,282	125,395	3,167,677
	22,372,556	24,741,658	47,114,214	19,330,274	24,616,263	43,946,537
Beginning Net Position						
Ending Net Position	\$ 31,386,734	\$ 32,311,314	\$ 63,698,048	\$ 22,372,556	\$ 24,741,658	\$ 47,114,214

City of Lockhart, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2023

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

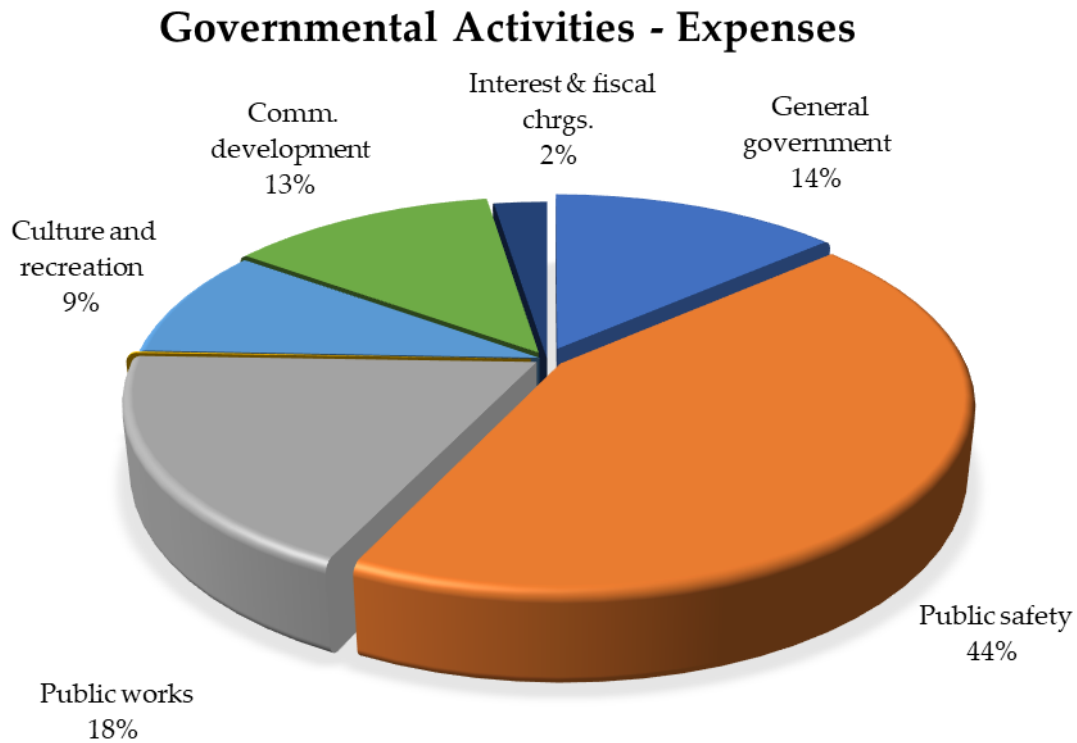
Governmental Activities - Revenues



For the year ended September 30, 2023, revenues from governmental activities totaled \$21,845,143. Property tax, grants/contributions, charges for services, and sales tax are the City's largest general revenue sources. Overall revenue increased \$8,333,920 or 62% from the prior year. Charges for services increased by \$1,421,930 or 72% due to greater building permit revenue and park dedication fees in the current year. Property taxes increased by \$1,313,385 or 23% primarily due to greater appraised values and growth within the City. Capital grants and contributions increased by \$6,175,035 due to neighborhood developer contributions of public infrastructure totaling \$6,211,919, during the year. Sales taxes a taxes increased by \$319,757 or 13% due to economic growth fueled by local purchases. Investment income increased by \$768,160 primarily as a result of higher interest rates and greater interest-bearing accounts in the current year. All other revenues remained relatively stable when compared to the previous year.

City of Lockhart, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2023

This graph shows the governmental function expenses of the City:

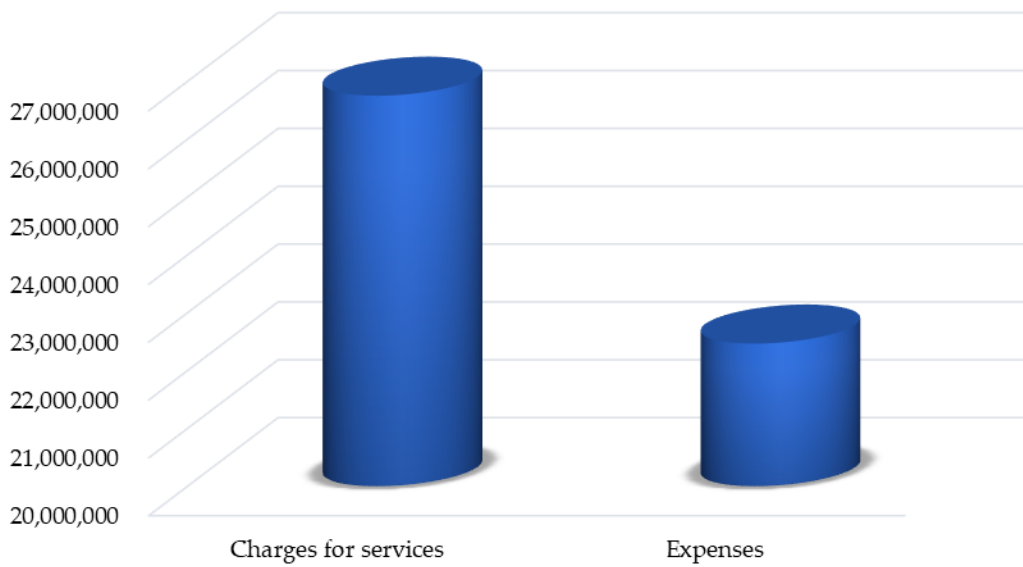


For the year ended September 30, 2023, expenses for governmental activities totaled \$15,933,948. This represents an increase of \$2,579,577 from the prior year. The City's largest functional expense is public safety totaling \$6,937,475, which increased \$769,061 or 12%. This increase is due to higher wage and related labor costs as well as an increase in the City's pension liability. Public works expenses increased by \$245,648 or 9% primarily due to nonrecurring street maintenance and repairs in the current year. Community development increased by \$1,098,572 or 121% due to greater personnel costs and contract services resulting from increased building permit activity in the current year. All other governmental activities expenses remained relatively consistent with the prior year.

City of Lockhart, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2023

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

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2023, charges for services by business-type activities totaled \$26,603,844. This represents an increase of \$3,569,118 or 15% from the previous year, which is a direct result of greater service rates in the current year and a growing customer base. Capital contributions increased by \$5,457,186 as a result of nonrecurring developer contributions and impact fees received in the current year.

Total business-type activity expenses increased by \$1,981,303 or 10% to a total of \$22,464,932. Electric expenses totaled \$10,884,211, while water and wastewater operations totaled \$6,401,698 and \$1,589,668, respectively. There was an increase electric expenses of \$908,849, due to growing demand and electric cost wholesale purchases. The water fund also had an increase of \$849,756 or 21% due to higher consumption and related GBRA costs.

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.

City of Lockhart, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2023

At September 30, 2023, the City's governmental funds reported combined fund balances of \$18,971,875, an increase of \$921,663 in comparison with the prior year. Approximately 48% of this amount, \$9,111,205, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable*, *committed* or *restricted* to indicate that it is 1) not in spendable form \$1,320,719 2) committed for particular purposes \$330,202 or 3) restricted for particular purposes \$8,209,749.

As of the end of the year the general fund reflected a total fund balance of \$12,406,970. Of this, \$1,640,694 is considered not in spendable form and committed. Restricted fund balance totaled \$1,628,105 and \$9,138,171 is unassigned. General fund balance increased by \$1,527,455 during the current year as compared to a final budgeted decrease of \$532,239. The increase in fund balance was primarily a result of higher than expected investment income and charges for services revenue.

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 \$9,138,171 is 65% of total general fund expenditures. Overall revenue in the general fund increased by \$2,038,534 when compared to the prior year. Property tax and charges for services showed the largest increase due to a growing local economy and new City development. General fund expenditures increase \$2,151,569 when compared to the prior year. The largest increase was in public works of \$868,254 which was primarily due to greater road improvement costs and new equipment purchases in the current year.

Proprietary Funds - 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 \$7,675,992, an increase of \$966,072 from the previous year. Total investment in capital assets, net of related debt was \$19,452,608, and capital assets, net of depreciation totaled \$66,681,875.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total budgeted revenues of \$8,881,257 were less than actual revenues of \$11,280,207, resulting in a total positive revenue variance of \$2,398,950. All actual revenues were greater than the budgeted amounts, with the exception of intergovernmental and license and permits. Total budgeted expenditures of \$17,563,487, were more than actual expenditures of \$14,078,191, resulting in a total positive expenditure variance of \$3,485,296. No significant budget amendments were made during the year.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$27,569,271 in a variety of capital assets and infrastructure, net of accumulated depreciation. The City's business-type activities funds had invested \$66,681,875 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.

City of Lockhart, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2023

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

- Lafleur Splash Park for \$327,653.
- Street improvements of \$469,856.
- Downtown revitalization project for \$661,613.
- Water treatment plan pump station expansion for \$566,300.
- Sidewalk improvements of \$206,943.
- Project 16 LK30 for \$283,533.
- New Ford F-450 ambulance unit for \$203,376.
- EDC additions to the Lockhart industrial park, section III for \$1,990,847.
- Contributed streets, drainage, electric, water and sewer infrastructure totaling \$10,921,740, from developers of multiple residential developments.

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, lease liabilities and certificates of obligation payable, net of all premiums, decreased by \$5,787,903 from the prior year. The total bonds, leases and certificates of obligation payable at the close of the fiscal year was \$65,881,343, net of all premiums.

There is no direct limit on debt in the City Charter. Statutes of the State of Texas do not provide any limitations on the dollar amount of debt cities issue, however, Article XI, Section 5 of the Texas Constitution, applicable to cities with a population of more than 5,000, limits the ad valorem tax rate to \$2.50 per \$100 assessed valuation. The City's current tax rate is well below the maximum allowable tax rate and poses no impact on financing of planned facilities or services.

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 52% since 2019 and property tax valuation has increased by 53.2%. Even with the 52% increase, the City continues to forecast sales tax in a conservative position. The total sales tax payments received in 2023 fiscal year equaled \$2,712,526. The City anticipates continued increase for 2024.

Property valuations have increased due to new additions and property on the tax roll, along with the appraisal district reassessing valuations in 2022. The certified assessed taxable property valuations for the 2024 fiscal year (2023 tax roll) total \$1,244,400,168 with a tax rate of \$0.4136 per \$100 valuation for maintenance and operations and \$0.1212 per \$100 valuation for the interest and sinking fund. The total tax rate of \$0.5348.

City of Lockhart, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2023

The City's capital plan for 2023-2024 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, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 17,962,289	\$ 18,360,262	\$ 36,322,551
Receivables, net	1,279,048	4,893,092	6,172,140
Internal balances	115,871	(115,871)	-
Inventories	24,887	701,846	726,733
Prepaid and other assets	1,295,832	22,732	1,318,564
Total Current Assets	20,677,927	23,862,061	44,539,988
Noncurrent assets:			
Capital assets:			
Non-depreciable	3,111,148	931,161	4,042,309
Net depreciable capital assets	24,458,123	65,750,714	90,208,837
Total Noncurrent Assets	27,569,271	66,681,875	94,251,146
Total Assets	48,247,198	90,543,936	138,791,134
<u>Deferred Outflows of Resources</u>			
Pension outflows-TMRS	2,528,895	629,802	3,158,697
OPEB outflows-TMRS	6,278	1,563	7,841
OPEB outflows-retiree healthcare	17,629	4,632	22,261
Deferred charge on refunding	140,652	98,687	239,339
Total Deferred Outflows of Resources	2,693,454	734,684	3,428,138

Component
Unit
Lockhart
EDC

\$	7,008,802
	243,209
	-
	-
	-
	7,252,011

985,328
4,299,092
5,284,420
12,536,431

333,393
-
-
-
333,393

City of Lockhart, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
September 30, 2023

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
<u>Liabilities</u>			
Accounts payable	664,832	1,964,383	2,629,215
Accrued liabilities	425,743	244,565	670,308
Due to other governments	22,360	-	22,360
Customer deposits	-	653,706	653,706
Compensated absences, current	415,359	67,638	482,997
Accrued interest payable	71,955	716,344	788,299
Long-term debt due in one year	1,456,482	2,224,982	3,681,464
Total Current Liabilities	3,056,731	5,871,618	8,928,349
Noncurrent liabilities:			
Net pension liability	5,110,392	1,272,706	6,383,098
OPEB liability-TMRS	332,100	82,710	414,810
OPEB liability-Retiree healthcare	303,265	79,673	382,938
Compensated absences	46,151	7,515	53,666
Long-term debt due in more than one year	10,578,697	51,621,182	62,199,879
Total Noncurrent Liabilities	16,370,605	53,063,786	69,434,391
Total Liabilities	19,427,336	58,935,404	78,362,740
<u>Deferred Inflows of Resources</u>			
OPEB inflows-TMRS	99,147	24,694	123,841
OPEB inflows-Retiree Healthcare	27,435	7,208	34,643
Total Deferred Inflows of Resources	126,582	31,902	158,484
<u>Net Position</u>			
Net investment in capital assets	17,776,524	19,452,608	37,229,132
Restricted for:			
General government	648,991	-	648,991
Public safety	23,351	-	23,351
Municipal court	135,713	-	135,713
Tourism	172,985	-	172,985
Capital projects	4,793,204	5,182,714	9,975,918
Debt service	298,475	-	298,475
Economic development	-	-	-
Unrestricted	7,537,491	7,675,992	15,213,483
Total Net Position	\$ 31,386,734	\$ 32,311,314	\$ 63,698,048

See Notes to Financial Statements.

Component
Unit
Lockhart
EDC
104,455
-
-
-
-
8,708
140,123
253,286
673,720
-
-
-
1,321,590
1,995,310
2,248,596
-
-
-
3,623,622
-
-
-
-
-
-
6,997,606
-
\$ 10,621,228

City of Lockhart, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 2,165,947	\$ -	\$ 72,481	\$ -
Public safety	6,937,475	248,067	400,082	174,970
Public works	2,930,612	688,987	-	6,211,919
Health and welfare	18,264	-	-	-
Culture and recreation	1,481,117	163,321	-	-
Community development	2,003,675	2,298,116	-	-
Interest and fiscal charges	396,858	-	-	-
Total Governmental Activities	15,933,948	3,398,491	472,563	6,386,889
Business-Type Activities				
Electric	10,884,211	13,153,265	662,000	1,712,960
Water	6,401,698	5,672,000	-	791,850
Wastewater	1,589,668	3,951,370	465,830	2,010,141
* Nonmajor enterprise	3,589,355	3,827,209	6,153	4,290
Total Business-Type Activities	22,464,932	26,603,844	1,133,983	4,519,241
Total Primary Government	\$ 38,398,880	\$ 30,002,335	\$ 1,606,546	\$ 10,906,130
Component Units				
Lockhart EDC	1,056,285	-	-	201,521
Total Component Units	\$ 1,056,285	\$ -	\$ -	\$ 201,521

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.

* Includes sanitation, airport, and EMS activities

Net (Expense) Revenue and Changes in Net Position

Primary Government				
Governmental Activities	Business-Type Activities	Total	Lockhart EDC	
\$ (2,093,466)	\$ -	\$ (2,093,466)	\$ -	
(6,114,356)	-	(6,114,356)	-	
3,970,294	-	3,970,294	-	
(18,264)	-	(18,264)	-	
(1,317,796)	-	(1,317,796)	-	
294,441	-	294,441	-	
(396,858)	-	(396,858)	-	
(5,676,005)	-	(5,676,005)	-	
-	4,644,014	4,644,014	-	
-	62,152	62,152	-	
-	4,837,673	4,837,673	-	
-	248,297	248,297	-	
-	9,792,136	9,792,136	-	
(5,676,005)	9,792,136	4,116,131	-	
			(854,764)	
			(854,764)	
7,114,477	-	7,114,477	-	
2,712,526	-	2,712,526	1,356,262	
582,849	-	582,849	-	
893,878	841,201	1,735,079	116,777	
34,000	-	34,000	4,319,370	
249,470	39,302	288,772	105,445	
3,102,983	(3,102,983)	-	-	
14,690,183	(2,222,480)	12,467,703	5,897,854	
9,014,178	7,569,656	16,583,834	5,043,090	
22,372,556	24,741,658	47,114,214	5,578,138	
\$ 31,386,734	\$ 32,311,314	\$ 63,698,048	\$ 10,621,228	

City of Lockhart, Texas

BALANCE SHEET GOVERNMENTAL FUNDS

September 30, 2023

	General	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 11,258,984	\$ 6,703,305	\$ 17,962,289
Accounts receivable, net	1,024,994	254,054	1,279,048
Due from other funds	160,182	-	160,182
Inventories	24,887	-	24,887
Prepays	1,285,605	10,227	1,295,832
Total Assets	\$ 13,754,652	\$ 6,967,586	\$ 20,722,238
<u>Liabilities</u>			
Accounts payable	\$ 412,086	\$ 252,746	\$ 664,832
Accrued liabilities	425,743	-	425,743
Due to other governments	22,360	-	22,360
Due to other funds	-	44,311	44,311
Total Liabilities	860,189	297,057	1,157,246
<u>Deferred Inflows of Resources</u>			
Unavailable revenue - property taxes	409,288	97,145	506,433
Unavailable revenue-fines	54,440	8,479	62,919
Unavailable revenue - notes receivable	23,765	-	23,765
Total Deferred Inflows of Resources	487,493	105,624	593,117
<u>Fund Balances</u>			
Nonspendable:			
Inventories	24,887	-	24,887
Prepaid items	1,285,605	10,227	1,295,832
Committed for:			
Sidewalks	56,191	-	56,191
Industrial park	274,011	-	274,011
Restricted for:			
Debt service	-	298,475	298,475
General government	564,439	84,552	648,991
Public safety	-	23,351	23,351
Municipal court	-	135,713	135,713
Tourism	-	172,985	172,985
Capital projects	1,063,666	5,866,568	6,930,234
Unassigned	9,138,171	(26,966)	9,111,205
Total Fund Balances	12,406,970	6,564,905	18,971,875
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 13,754,652	\$ 6,967,586	\$ 20,722,238

See Notes to Financial Statements.

City of Lockhart, Texas

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

September 30, 2023

Fund Balances - Total Governmental Funds \$ 18,971,875

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 3,111,148

Capital assets - net depreciable 24,458,123

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.

Property tax 506,433

Fines and fees 62,919

Other receivables 23,765

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

OPEB inflows-TMRS (99,147)

OPEB inflows-Retiree Healthcare (27,435)

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 2,528,895

OPEB outflows-TMRS 6,278

OPEB outflows-Retiree Healthcare 17,629

Deferred charge on refunding 140,652

Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.

Accrued interest (71,955)

Deferred charges:

Bond premium (405,227)

Net pension liability (5,110,392)

OPEB liability-TMRS (332,100)

OPEB liability-Retiree healthcare (303,265)

Compensated absences (461,510)

Non-current liabilities due in one year (1,456,482)

Non-current liabilities due in more than one year (10,173,470)

Net Position of Governmental Activities \$ 31,386,734

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, 2023

	General	Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues</u>			
Property tax	\$ 5,269,471	\$ 1,740,778	\$ 7,010,249
Sales tax	2,712,526	-	2,712,526
Franchise and local taxes	404,247	178,602	582,849
Fines and forfeitures	219,121	17,776	236,897
License and permits	1,218,468	1,079,648	2,298,116
Charges for services	163,321	688,987	852,308
Intergovernmental	444,063	203,470	647,533
Investment income	599,520	294,358	893,878
Other revenue	249,470	-	249,470
Total Revenues	11,280,207	4,203,619	15,483,826
<u>Expenditures</u>			
Current:			
General government	1,753,222	145,800	1,899,022
Public safety	6,270,986	259,423	6,530,409
Public works	2,124,476	789,815	2,914,291
Health and welfare	9,086	-	9,086
Culture and recreation	1,803,531	-	1,803,531
Community development	1,933,286	-	1,933,286
Debt Service:			
Principal	164,023	1,252,586	1,416,609
Interest and fiscal charges	19,581	415,347	434,928
Capital outlay	-	757,984	757,984
Total Expenditures	14,078,191	3,620,955	17,699,146
Revenues Over (Under) Expenditures	(2,797,984)	582,664	(2,215,320)
<u>Other Financing Sources (Uses)</u>			
Sale of capital assets	34,000	-	34,000
Transfers in	4,362,999	331,560	4,694,559
Transfers (out)	(71,560)	(1,520,016)	(1,591,576)
Total Other Financing Sources (Uses)	4,325,439	(1,188,456)	3,136,983
Net Change in Fund Balances	1,527,455	(605,792)	921,663
Beginning fund balances	10,879,515	7,170,697	18,050,212
Ending Fund Balances	\$ 12,406,970	\$ 6,564,905	\$ 18,971,875

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, 2023

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

Net changes in fund balances - total governmental funds	\$ 921,663
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	2,859,473
Capital contributions	6,211,919
Depreciation expense	(2,210,555)
Adjustment for capital asset disposals	(37,681)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property tax	104,228
Fines and fees	11,170
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	94,337
Pension expense	(376,064)
OPEB expense-TMRS	(12,902)
OPEB expense-retiree healthcare	(6,089)
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.	
Amortization of deferred charge on refunding	(23,441)
Amortization of premium	61,511
Principal payments	1,416,609
Change in Net Position of Governmental Activities	\$ 9,014,178

See Notes to Financial Statements.

City of Lockhart, Texas
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (Page 1 of 2)
September 30, 2023

		Business-Type Activities		
		Electric	Water	Wastewater
<u>Assets</u>				
<u>Current Assets</u>				
Cash and cash equivalents	\$	3,357,688	\$ 7,284,525	\$ 6,444,292
Accounts receivable, net		2,555,540	826,814	422,901
Inventories		701,846	-	-
Prepaid items		22,732	-	-
Total Current Assets		6,637,806	8,111,339	6,867,193
<u>Noncurrent Assets</u>				
Capital assets:				
Non-depreciable		339,058	258,705	140,828
Net depreciable capital assets		5,195,157	51,477,206	7,293,729
Total Noncurrent Assets		5,534,215	51,735,911	7,434,557
Total Assets		12,172,021	59,847,250	14,301,750
<u>Deferred Outflows of Resources</u>				
Pension outflows-TMRS		406,160	103,725	61,857
OPEB outflows-TMRS		1,008	258	153
OPEB outflows-retiree healthcare		2,987	763	455
Deferred loss on refunding		-	85,552	13,135
Total Deferred Outflows of Resources		410,155	190,298	75,600

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
\$ 1,273,757	\$ 18,360,262
1,087,837	4,893,092
-	701,846
-	22,732
2,361,594	23,977,932

192,570	931,161
1,784,622	65,750,714
1,977,192	66,681,875
4,338,786	90,659,807

58,060	629,802
144	1,563
427	4,632
-	98,687
58,631	734,684

City of Lockhart, Texas
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (Page 2 of 2)
September 30, 2023

	Business-Type Activities		
	Electric	Water	Wastewater
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accounts payable	\$ 1,111,908	\$ 327,877	\$ 210,234
Accrued liabilities	238,864	-	-
Customer deposits	507,923	140,783	-
Compensated absences, current	45,038	11,238	7,562
Lease liabilities, current	20,369	15,234	15,428
Long-term debt, current	110,885	1,738,350	300,761
Due to other funds	-	115,871	-
Accrued interest	6,399	695,918	14,027
Total Current Liabilities	2,041,386	3,045,271	548,012
<u>Noncurrent Liabilities</u>			
Compensated absences, noncurrent	5,004	1,249	840
Lease liabilities, noncurrent	9,142	6,836	6,925
Long-term debt, noncurrent	867,404	48,498,485	2,229,444
Net pension liability	820,769	209,608	125,001
OPEB liability-TMRS	53,338	13,621	8,123
OPEB liability-retiree healthcare	51,382	13,122	7,824
Total Noncurrent Liabilities	1,807,039	48,742,921	2,378,157
Total Liabilities	3,848,425	51,788,192	2,926,169
<u>Deferred Inflows of Resources</u>			
OPEB inflows-TMRS	15,924	4,067	2,425
OPEB inflows-retiree healthcare	4,648	1,187	708
Total Deferred Inflows of Resources	20,572	5,254	3,133
<u>Net Position</u>			
Net investment in capital assets	4,926,416	6,150,509	6,425,392
Restricted for:			
Capital projects	167,997	2,696,575	2,318,142
Unrestricted	3,618,766	(602,982)	2,704,514
Total Net Position	\$ 8,713,179	\$ 8,244,102	\$ 11,448,048

See Notes to Financial Statements.

Business-Type Activities

Nonmajor		Total	
Funds			
\$	314,364	\$	1,964,383
	5,701		244,565
	5,000		653,706
	3,800		67,638
	23,955		74,986
	-		2,149,996
	-		115,871
	-		716,344
	352,820		5,987,489
	422		7,515
	2,946		25,849
	-		51,595,333
	117,328		1,272,706
	7,628		82,710
	7,345		79,673
	135,669		53,063,786
	488,489		59,051,275
	2,278		24,694
	665		7,208
	2,943		31,902
	1,950,291		19,452,608
	-		5,182,714
	1,955,694		7,675,992
\$	3,905,985	\$	32,311,314

City of Lockhart, Texas

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

For the Year Ended September 30, 2023

	Business-Type Activities		
	Electric	Water	Wastewater
<u>Operating Revenues</u>			
Charges for services	\$ 13,153,265	\$ 5,672,000	\$ 3,951,370
Other revenue	1,185	175	-
Total Operating Revenues	13,154,450	5,672,175	3,951,370
<u>Operating Expenses</u>			
Personnel services	1,412,462	383,247	190,007
Supplies	33,413	38,184	167,353
Maintenance and repairs	278,053	197,876	163,621
Contractual services	335,274	1,268,038	38,250
Power, water, and water treatment	7,984,814	1,004,688	637,398
Non-departmental	-	-	72,727
Miscellaneous	394,567	8,650	-
Depreciation and amortization	423,375	2,012,363	277,170
Total Operating Expenses	10,861,958	4,913,046	1,546,526
Operating Income (Loss)	2,292,492	759,129	2,404,844
<u>Nonoperating Revenues (Expenses)</u>			
Insurance recoveries	10,251	-	-
Intergovernmental	662,000	-	465,830
Investment earnings	143,289	375,948	249,877
Interest expense	(22,253)	(1,488,652)	(43,142)
Total Nonoperating Revenues (Expenses)	793,287	(1,112,704)	672,565
Income (Loss) Before Capital Contributions and Transfers	3,085,779	(353,575)	3,077,409
<u>Capital Contributions and Transfers</u>			
Capital contributions	1,712,960	787,635	2,010,141
Capital grants	-	4,215	-
Transfers in	-	1,292,787	-
Transfers (out)	(2,318,922)	(297,393)	(1,458,094)
Total Capital Contributions and Transfers	(605,962)	1,787,244	552,047
Change in Net Position	2,479,817	1,433,669	3,629,456
Beginning net position	6,233,362	6,810,433	7,818,592
Ending Net Position	\$ 8,713,179	\$ 8,244,102	\$ 11,448,048

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
\$ 3,827,209	\$ 26,603,844
27,691	29,051
<u>3,854,900</u>	<u>26,632,895</u>
220,274	2,205,990
1,406,892	1,645,842
1,567,615	2,207,165
223,461	1,865,023
-	9,626,900
-	72,727
-	403,217
170,458	2,883,366
<u>3,588,700</u>	<u>20,910,230</u>
<u>266,200</u>	<u>5,722,665</u>
-	10,251
6,153	1,133,983
72,087	841,201
(655)	(1,554,702)
<u>77,585</u>	<u>430,733</u>
343,785	6,153,398
-	4,510,736
4,290	8,505
-	1,292,787
(321,361)	(4,395,770)
<u>(317,071)</u>	<u>1,416,258</u>
26,714	7,569,656
<u>3,879,271</u>	<u>24,741,658</u>
<u>\$ 3,905,985</u>	<u>\$ 32,311,314</u>

City of Lockhart, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2) For the Year Ended September 30, 2023

	Business-Type Activities		
	Electric	Water	Wastewater
<u>Cash Flows from Operating Activities</u>			
Payments to employees	\$ (1,371,276)	\$ (358,640)	\$ (214,399)
Payments to suppliers	(8,769,934)	(2,739,620)	(963,150)
Receipts from customers	12,873,351	5,472,860	3,926,365
Net Cash Provided (Used) by Operating Activities	2,732,141	2,374,600	2,748,816
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers in	-	1,292,787	-
Transfers (out)	(2,318,922)	(297,393)	(1,458,094)
Intergovernmental	662,000	-	465,830
Net Cash Provided (Used) by Noncapital Financing	(1,656,922)	995,394	(992,264)
<u>Cash Flows from Capital and Related Financing Activities</u>			
Acquisition and construction of capital assets	(355,844)	(17,392)	-
Capital grants	-	4,215	-
Insurance recoveries	10,251	-	-
Principal paid on capital debt	(123,592)	(1,010,529)	(314,890)
Interest paid on capital debt	(22,009)	(1,372,346)	(41,671)
Net Cash Provided (Used) by Capital and Related Financing Activities	(491,194)	(2,396,052)	(356,561)
<u>Cash Flows from Investing Activities</u>			
Interest on investments	143,289	375,948	249,877
Net Cash Provided by Investing Activities	143,289	375,948	249,877
Net Increase (Decrease) in Cash and Cash Equivalents	727,314	1,349,890	1,649,868
Beginning cash and cash equivalents	2,630,374	5,934,635	4,794,424
Ending Cash and Cash Equivalents	\$ 3,357,688	\$ 7,284,525	\$ 6,444,292

See Notes to Financial Statements.

Business-Type Activities

Nonmajor Funds	Total
\$ (222,747)	\$ (2,167,062)
(3,004,460)	(15,477,164)
3,785,457	26,058,033
<u>558,250</u>	<u>8,413,807</u>
-	1,292,787
(321,361)	(4,395,770)
6,153	1,133,983
<u>(315,208)</u>	<u>(1,969,000)</u>
(292,343)	(665,579)
4,290	8,505
-	10,251
(23,532)	(1,472,543)
<u>(655)</u>	<u>(1,436,681)</u>
<u>(312,240)</u>	<u>(3,556,047)</u>
72,087	841,201
<u>72,087</u>	<u>841,201</u>
2,889	3,729,961
<u>1,270,868</u>	<u>14,630,301</u>
<u>\$ 1,273,757</u>	<u>\$ 18,360,262</u>

City of Lockhart, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Page 2 of 2)
For the Year Ended September 30, 2023

	Business-Type Activities		
	Electric	Water	Wastewater
<u>Reconciliation of Operating Income (Loss)</u>			
<u>to Net Cash Provided (Used) by Operating Activities</u>			
Operating Income (Loss)	\$ 2,292,492	\$ 759,129	\$ 2,404,844
Adjustments to reconcile operating income (loss) to net cash provided (used):			
Depreciation	423,375	2,012,363	277,170
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(375,670)	(197,490)	(25,005)
Inventory	(89,650)	-	-
Prepaid items	(19,472)	647	647
Deferred outflows:			
Pension	(233,228)	(64,774)	(23,687)
OPEB	13,937	3,496	2,906
Increase (Decrease) in:			
Accounts payable and accrued liabilities	365,309	144,281	115,552
Customer deposits	94,571	(1,825)	-
Compensated absences	(3,442)	1,045	(900)
Due to other funds	-	(367,112)	-
Deferred inflows:			
Pension	(297,227)	(66,947)	(65,606)
OPEB	13,694	3,455	1,755
Net pension liability	576,631	154,619	71,114
OPEB Liability	(29,179)	(6,287)	(9,974)
Net Cash Provided (Used) by Operating Activities	\$ 2,732,141	\$ 2,374,600	\$ 2,748,816

Schedule of Non-Cash Capital and Related Financing Activities

Developer contributions	\$ 1,712,960	\$ 787,635	\$ 2,010,141
GBRA debt and intangible asset	\$ -	\$ 2,805,000	\$ -

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
\$ 266,200	\$ 5,722,665
170,458	2,883,366
(69,393)	(667,558)
-	(89,650)
925	(17,253)
(34,344)	(356,033)
2,997	23,336
192,583	817,725
(50)	92,696
(4,211)	(7,508)
-	(367,112)
(40,762)	(470,542)
1,563	20,467
83,847	886,211
(11,563)	(57,003)
<u>\$ 558,250</u>	<u>\$ 8,413,807</u>

\$ -	\$ 4,510,736
\$ -	\$ 2,805,000

City of Lockhart, Texas
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2023

	Private Purpose Trusts	Custodial Funds
<u>Assets</u>		
Cash and cash equivalents	\$ 589	\$ 50,821
Prepays	-	1,211
Total Assets	\$ 589	\$ 52,032
<u>Liabilities</u>		
Due to others	-	29,553
Total Liabilities	-	29,553
<u>Net Position</u>		
Restricted for various purposes:	\$ 589	\$ 22,479
Total Net Position	\$ 589	\$ 22,479

See Notes to Financial Statements.

City of Lockhart, Texas

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the Year Ended September 30, 2023

	Private Purpose Trusts	Custodial Funds
<u>Additions</u>		
Investment income	\$ 32	\$ 1,969
Other revenue	-	15,597
Total Additions	32	17,566
Net Change in Net Position	32	17,566
Beginning Net Position	557	4,913
Ending Net Position	\$ 589	\$ 22,479

See Notes to Financial Statements.

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City of Lockhart, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2023

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.

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

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, 2023.

This component unit is discretely presented in the financial statements. Complete financial statements of the individual component unit can be obtained from Keelie Michna, Finance Director, at 308 W. San Antonio St. Lockhart, TX 78644.

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;

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

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.

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,

City of Lockhart, Texas

NOTES TO THE FINANCIAL STATEMENTS, Continued

September 30, 2023

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, 2023, the City is maintaining eighteen 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. Custodial funds use the economic resources 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

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

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 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

City of Lockhart, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

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, custodial and other postemployment benefit trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

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

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

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

City of Lockhart, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

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	5 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 assets 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 from 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 assets 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

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

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 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, 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.

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

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.

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

11. Leases

Lessee: The City and LEDC are lessees for noncancellable leases of building and equipment. The City and LEDC recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the full-accrual financial statements. The City and LEDC recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City and LEDC initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City and LEDC determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City and LEDC uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City and LEDC uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City and LEDC is reasonably certain to exercise.

The City and LEDC monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

12. Subscription Based Information Technology Arrangements ("SBITA")

The City has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 96, entitled Subscription-Based Information Technology Arrangements ("SBITA"). The City has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The City recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

City of Lockhart, Texas

NOTES TO THE FINANCIAL STATEMENTS, Continued

September 30, 2023

At the commencement of an SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the City is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

13. 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.

14. 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

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
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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.

15. 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.

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
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16. 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

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
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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, three capital projects, various special revenue funds, and

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
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the enterprise funds. A budget was not adopted for the local municipal jury, the CARES Relief Act, or the Maple Street park improvements 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:

Hotel/Motel Tax	\$ 45,163
Radio System Maintenance	\$ 24,135
Court Security	\$ 971

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

A. Restricted Fund Balance

The City records restricted fund balance 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 \$8,209,749, of which, \$159,064 is restricted by enabling legislation.

B. Deficit Fund Equity

As of September 30, 2023, two nonmajor governmental funds, court technology and radio system maintenance, reported deficit fund balances of \$1,721 and \$15,018, respectively. The deficits will be replenished through interfund transfers and future operating surpluses.

C. Public Funds Investment & Collateral Acts

State statutes 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, 2023, 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.

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
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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, 2023.

As of September 30, 2023, the primary government had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
External investment pools	\$ 36,002,468	0.11
Total value	<u>\$ 36,002,468</u>	
Portfolio weighted average maturity		0.11

As of September 30, 2023, the component unit had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
External investment pools	\$ 5,449,454	0.08
Total value	<u>\$ 5,449,454</u>	
Portfolio weighted average maturity		0.08

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.

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

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
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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, 2023, 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, 2023.

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, 2023, the fair value of the portion in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
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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.

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

B. Receivables

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

	Governmental Activities		
	General	Nonmajor Governmental	Total
Property taxes	\$ 472,391	\$ 97,144	\$ 569,535
Sales tax	486,418	-	486,418
Other taxes	49,857	30,584	80,441
Fines and fees	405,578	92,739	498,317
Accounts	-	33,587	33,587
Other	212,561	-	212,561
Allowance	(601,811)	-	(601,811)
	<u>\$ 1,024,994</u>	<u>\$ 254,054</u>	<u>\$ 1,279,048</u>

	Business-Type Activities				
	Electric	Water	Wastewater	Nonmajor	Total
Accounts	\$ 2,731,921	\$ 869,314	\$ 452,587	\$ 329,476	\$ 4,383,298
EMS	-	-	-	5,765,838	5,765,838
Allowance	(176,381)	(42,500)	(29,686)	(5,007,477)	(5,256,044)
	<u>\$ 2,555,540</u>	<u>\$ 826,814</u>	<u>\$ 422,901</u>	<u>\$ 1,087,837</u>	<u>\$ 4,893,092</u>

The component unit receivables balance consisted entirely of sales tax.

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

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	\$ 1,587,394	\$ -	\$ -	\$ 1,587,394
Construction in progress	271,223	1,290,212	(37,681)	1,523,754
Total capital assets not being depreciated	<u>1,858,617</u>	<u>1,290,212</u>	<u>(37,681)</u>	<u>3,111,148</u>
Capital assets, being depreciated:				
Machinery and equipment	8,250,478	292,919	(96,180)	8,447,217
Buildings and improvements	13,274,552	157,815	-	13,432,367
Infrastructure	78,941,978	7,330,446	-	86,272,424
Right to use assets-leases	754,368	-	-	754,368
Right to use assets-SBITA	151,988	-	-	151,988
Total capital assets being depreciated	<u>101,373,364</u>	<u>7,781,180</u>	<u>(96,180)</u>	<u>109,058,364</u>
Less accumulated depreciation				
Machinery and equipment	6,410,243	416,600	(96,180)	6,730,663
Buildings and improvements	5,578,418	326,112	-	5,904,530
Infrastructure	70,279,538	1,304,490	-	71,584,028
Right to use assets-leases	217,667	148,154	-	365,821
Right to use assets-SBITA	-	15,199	-	15,199
Total accumulated depreciation	<u>82,485,866</u>	<u>2,210,555</u>	<u>(96,180)</u>	<u>84,600,241</u>
Net capital assets being depreciated	<u>18,887,498</u>	<u>5,570,625</u>	<u>-</u>	<u>24,458,123</u>
Total Capital Assets	<u><u>\$ 20,746,115</u></u>	<u><u>\$ 6,860,837</u></u>	<u><u>\$ (37,681)</u></u>	<u><u>\$ 27,569,271</u></u>

Depreciation was charged to governmental functions as follows:

General government	\$ 231,193
Public safety	392,046
Public works	1,359,381
Health and welfare	9,178
Culture and recreation	218,757
Total Governmental Activities Depreciation Expense	<u><u>\$ 2,210,555</u></u>

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

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	8,894	347,557	-	356,451
Total capital assets not being depreciated	<u>583,604</u>	<u>347,557</u>	<u>-</u>	<u>931,161</u>
Capital assets, being depreciated:				
Machinery and equipment	7,976,340	318,022	(114,278)	8,180,084
Buildings and improvements	4,151,722	-	-	4,151,722
Infrastructure	46,020,066	4,510,736	-	50,530,802
Right to use assets-leases	348,816	-	-	348,816
Intangibles	47,260,000	-	(2,805,000)	44,455,000
Total capital assets being depreciated	<u>105,756,944</u>	<u>4,828,758</u>	<u>(2,919,278)</u>	<u>107,666,424</u>
Less accumulated depreciation				
Machinery and equipment	6,400,894	249,460	(114,278)	6,536,076
Buildings and improvements	3,246,031	41,684	-	3,287,715
Infrastructure	23,661,845	1,029,198	-	24,691,043
Right to use assets-leases	156,720	62,806	-	219,526
Intangibles	5,681,132	1,500,218	-	7,181,350
Total accumulated depreciation	<u>39,146,622</u>	<u>2,883,366</u>	<u>(114,278)</u>	<u>41,915,710</u>
Net capital assets being depreciated	<u>66,610,322</u>	<u>1,945,392</u>	<u>(2,805,000)</u>	<u>65,750,714</u>
Total Capital Assets	<u><u>\$ 67,193,926</u></u>	<u><u>\$ 2,292,949</u></u>	<u><u>\$ (2,805,000)</u></u>	<u><u>\$ 66,681,875</u></u>

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

Electric	\$ 423,375
Water	2,012,363
Wastewater	277,170
EMS	22,363
Sanitation	55,831
Airport	92,264
Total Business-type Activities Depreciation Expense	<u><u>\$ 2,883,366</u></u>

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

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	\$ 2,821,404	\$ -	\$ (1,999,516)	\$ 821,888
Construction in progress	-	163,442	-	163,442
Total capital assets not being depreciated	<u>2,821,404</u>	<u>163,442</u>	<u>(1,999,516)</u>	<u>985,330</u>
Capital assets, being depreciated:				
Buildings	2,250,261	2,227,611	-	4,477,872
Right to use assets	56,020	-	-	56,020
Total capital assets being depreciated	<u>2,306,281</u>	<u>2,227,611</u>	<u>-</u>	<u>4,533,892</u>
Less accumulated depreciation				
Buildings	151,023	51,767	-	202,790
Right to use assets	16,006	16,006	-	32,012
Total accumulated depreciation	<u>167,029</u>	<u>67,773</u>	<u>-</u>	<u>234,802</u>
Net capital assets being depreciated	<u>2,139,252</u>	<u>2,159,838</u>	<u>-</u>	<u>4,299,090</u>
Total Capital Assets	<u><u>\$ 4,960,656</u></u>	<u><u>\$ 2,323,280</u></u>	<u><u>\$ (1,999,516)</u></u>	<u><u>\$ 5,284,420</u></u>

Depreciation was charged to the following activities as follows:

Lockhart EDC	\$ 67,773
Total Depreciation Expense	<u><u>\$ 67,773</u></u>

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

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, 2023. 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	\$ 3,685,870	\$ -	\$ (565,042)	\$ 3,120,828	\$ 572,526
Certificates of Obligation	6,327,225	-	(382,630)	5,944,595	396,460
Tax notes	2,330,000	-	(304,914)	2,025,086	316,420
Less deferred amounts:					
For premiums	466,738	-	(61,511)	405,227	-
Total Bonds Payable	12,809,833	-	(1,314,097)	11,495,736	1,285,406
SBITA liabilities	151,988	-	(11,846)	140,142	12,939
Lease liabilities	551,478	-	(152,177)	399,301	158,137
Total Governmental Activities	\$ 13,513,299	\$ -	\$ (1,478,120)	\$ 12,035,179	\$ 1,456,482
Long-term liabilities due in more than one year				\$ 10,578,697	
Business-Type Activities:					
General Obligation Bonds	\$ 1,239,126	\$ -	\$ (189,958)	\$ 1,049,168	\$ 192,474
Certificates of Obligation	7,397,775	-	(447,368)	6,950,407	463,540
Tax Notes	1,720,000	-	(225,086)	1,494,914	233,580
Less deferred amounts:					
For premiums	306,988	-	(32,260)	274,728	-
Total Bonds Payable	10,663,889	-	(894,672)	9,769,217	889,594
Lease liabilities	174,964	-	(74,129)	100,835	74,986
Notes payable	2,197,114	-	(176,002)	2,021,112	180,402
GBRA Obligations	45,120,000	-	(3,165,000)	41,955,000	1,080,000
Total Business-Type Activities	\$ 58,155,967	\$ -	\$ (4,309,803)	\$ 53,846,164	\$ 2,224,982
Long-term liabilities due in more than one year				\$ 51,621,182	
Component Unit Activities (LEDC):					
Notes payable	\$ 108,430	\$ -	\$ (22,311)	\$ 86,119	\$ 23,283
Lease liabilities	41,350	-	(15,756)	25,594	16,840
Revenue bonds	1,445,000	-	(95,000)	1,350,000	100,000
County obligation	1,500,000	-	(1,500,000)	-	-
Total Component Unit Activities	\$ 3,094,780	\$ -	\$ (1,633,067)	\$ 1,461,713	\$ 140,123
Long-term liabilities due in more than one year				\$ 1,321,590	

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
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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. 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, 2023, there was \$2,500,000 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, 2023, there was \$39,455,000 of obligations outstanding. During the year, the project had new entity participation which restructured the overall allocation of debt. This restructuring resulted in a \$2,805,000 reduction in Lockhart's proportional share of the bonds.

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

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%	\$ 3,120,828	\$ 1,049,168	\$ 4,169,996
Total General Obligation Bonds	\$ 3,120,828	\$ 1,049,168	\$ 4,169,996
Certificates of Obligation:			
\$16,685,000 Certificates of Obligation, Series 2015, due in annual installments through August 2035 interest at 3.39%	\$ 5,944,595	\$ 6,950,407	\$ 12,895,002
Total Certificates of Obligation	\$ 5,944,595	\$ 6,950,407	\$ 12,895,002
Notes Payable:			
\$3,600,000 2013 State Infrastructure Bank Loan due in annual installments through June 2033, interest at 2.50%	\$ -	\$ 2,021,112	\$ 2,021,112
Total Notes Payable	\$ -	\$ 2,021,112	\$ 2,021,112
Tax Notes:			
\$4,050,000 Limited Tax Note, Series 2022, due in annual installments through 2029, interest at 2.61%	\$ 2,025,086	\$ 1,494,914	\$ 3,520,000
Total Tax Notes	\$ 2,025,086	\$ 1,494,914	\$ 3,520,000
GBRA Obligations:			
\$4,950,000 GBRA Revenue Bond, Series 2014, due in installments through 2030, interest at 3.45%	\$ -	\$ 2,500,000	\$ 2,500,000
\$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%	-	1,830,000	1,830,000
\$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%	-	1,560,000	1,560,000
\$8,250,000 Contract Revenue Bond, Series 2020, due in installments through 2050, interest at 2.08%	-	7,370,000	7,370,000
\$14,485,000 Contract Revenue Bond, Series 2021, due in installments through 2050, interest at 2.75%	-	12,935,000	12,935,000
Total GBRA Obligations	\$ -	\$ 41,955,000	\$ 41,955,000

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

	Governmental Activities	Business - Type Activities	Total
Lease Liabilities:			
\$121,741 lease payable to Stryker Sales Corporation, due in annual installments of \$17,392 through 2024, interest at 3.5%	\$ -	\$ 17,391	\$ 17,391
\$322,861 lease payable for building, due in monthly installments of \$5,315 to \$6,218 through 2027, interest at 2.61%	257,364	-	257,364
\$610,998 lease payable to Enterprise Fleet, due in monthly installments of \$13,106 through 2025, interest at 1.5%	141,937	83,444	225,381
Total Lease Liabilities	\$ 399,301	\$ 100,835	\$ 500,136
SBITA Liabilities:			
\$64,352 SBITA payable to Eforce Records Management, due in annual installments of \$6,862 through 2031, interest at 4.5%	\$ 53,009	\$ -	\$ 53,009
\$105,777 SBITA payable to Eforce Records License, due in annual installments of \$11,966-\$14,717 through 2031, interest at 4.5%	87,133	-	87,133
Total SBITA Liabilities	\$ 140,142	\$ -	\$ 140,142
Premiums	405,227	274,728	679,955
Total Debt	\$ 12,035,179	\$ 53,846,164	\$ 65,881,343

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%	\$ 1,350,000
Total Sales Tax Revenue Bonds	\$ 1,350,000
Notes Payable:	
\$425,000 207 Economic Development Note Payable due in quarterly installments through 2027 interest at 4.25%	\$ 86,119
Total Notes Payable	\$ 86,119
Lease liabilities:	
\$76,144 lease payable for building, due in monthly installments of \$1,245-\$1,470 through March 2025, interest at 2.61%	\$ 25,594
Total Lease Liabilities	\$ 25,594
Total Debt	\$ 1,461,713

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

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

Year ending September 30,	2015 Tax & Rev CO		2016 GO Refunding		2022 Tax Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 396,460	\$ 201,082	\$ 572,526	\$ 119,108	\$ 316,420	\$ 48,725
2025	412,595	185,224	594,978	101,932	325,049	40,354
2026	433,340	164,594	624,914	78,133	333,679	31,758
2027	447,170	151,594	647,366	53,136	339,432	22,974
2028	461,000	138,179	681,044	27,242	350,938	13,964
2029	493,270	124,349	-	-	359,568	4,692
2030	507,100	109,551	-	-	-	-
2031	523,235	93,704	-	-	-	-
2032	539,370	76,699	-	-	-	-
2033	557,810	59,169	-	-	-	-
2034	576,250	40,343	-	-	-	-
2035	596,995	20,895	-	-	-	-
	<u>\$ 5,944,595</u>	<u>\$ 1,365,384</u>	<u>\$ 3,120,828</u>	<u>\$ 379,551</u>	<u>\$ 2,025,086</u>	<u>\$ 162,468</u>

Year ending September 30,	Leases	
	Principal	Interest
2024	\$ 158,137	\$ 7,460
2025	109,653	4,544
2026	69,611	2,609
2027	61,900	747
	<u>\$ 399,301</u>	<u>\$ 15,361</u>

Year ending September 30,	SBITA		
	Principal	Interest	Total
2024	\$ 12,939	\$ 6,306	\$ 19,246
2025	14,099	5,724	19,823
2026	15,328	5,090	20,418
2027	16,630	4,400	21,030
2028	18,010	3,652	21,661
2029	19,470	2,841	22,311
2030	21,015	1,965	22,980
2031	22,651	1,019	23,670
Total	<u>\$ 140,142</u>	<u>\$ 25,172</u>	<u>\$ 102,178</u>

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

The City entered into leases to finance the use of building and equipment. The property is classified as right to use asset with a total carrying value as of yearend for governmental activities of \$388,546.

The City entered into IT based subscription agreements for records management. The present value of the subscription payments is classified as right to use asset with a total carrying value as of yearend for governmental activities of \$136,789.

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

Business-Type Activities:

Year ending September 30,	2015 Tax & Rev CO		2016 GO Refunding		2022 Tax Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 463,540	\$ 235,105	\$ 192,474	\$ 40,042	\$ 233,580	\$ 35,969
2025	482,405	216,563	200,022	34,268	239,951	29,789
2026	506,660	192,443	210,086	26,267	246,321	23,444
2027	522,830	177,243	217,634	17,864	250,568	16,959
2028	539,000	161,559	228,952	9,158	259,062	10,309
2029	576,730	145,389	-	-	265,432	3,464
2030	592,900	128,087	-	-	-	-
2031	611,765	109,558	-	-	-	-
2032	630,630	89,676	-	-	-	-
2033	652,190	69,181	-	-	-	-
2034	673,750	47,169	-	-	-	-
2035	698,007	24,430	-	-	-	-
	<u>\$ 6,950,407</u>	<u>\$ 1,596,403</u>	<u>\$ 1,049,168</u>	<u>127,599</u>	<u>\$ 1,494,914</u>	<u>119,934</u>

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

Year ending September 30,	State Infrastructure Loan		Leases	
	Principal	Interest	Principal	Interest
2024	\$ 180,402	\$ 50,528	\$ 74,986	\$ 857
2025	184,912	46,018	25,849	105
2026	189,535	41,395	-	-
2027	194,273	36,657	-	-
2028	199,130	31,800	-	-
2029	204,108	26,821	-	-
2030	209,211	21,719	-	-
2031	214,441	16,489	-	-
2032	219,802	11,127	-	-
2033	225,298	5,632	-	-
	<u>\$ 2,021,112</u>	<u>288,185</u>	<u>\$ 100,835</u>	<u>961</u>

The City entered into leases to finance the use of equipment. The property is classified as right to use asset with a total carrying value as of yearend for business-type activities of \$129,290.

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

Year ending September 30,	Guadelupa-Blanco River Authority		
	Principal	Interest	Total
2024	\$ 1,080,000	\$ 1,165,833	\$ 1,677,851
2025	1,105,000	1,138,773	1,676,666
2026	1,125,000	1,121,587	1,680,790
2027	1,140,000	1,102,995	1,678,995
2028	1,165,000	1,082,839	1,681,122
2029	1,185,000	1,061,242	1,682,354
2030	1,205,000	1,038,043	1,677,396
2031	820,000	1,020,423	1,273,454
2032	840,000	1,008,120	1,280,093
2033	850,000	993,529	1,275,529
2034	880,000	977,135	1,280,100
2035	890,000	959,252	1,278,927
2036	910,000	940,183	1,282,095
2037	930,000	919,872	1,279,556
2038	960,000	898,438	1,281,466
2039	1,330,000	875,897	1,632,534
2040	1,695,000	839,254	1,959,419
2041	1,740,000	790,294	1,959,348
2042	1,795,000	738,370	1,966,460
2043	1,845,000	682,755	1,961,920
2044	1,900,000	625,486	1,955,983
2045	1,965,000	564,318	1,961,500
2046	2,030,000	501,803	1,959,674
2047	2,090,000	434,729	1,955,515
2048	2,160,000	365,144	1,959,560
2049	1,970,000	293,067	1,686,389
2050	1,950,000	228,890	1,596,882
2051	1,650,000	164,019	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
	<u>\$ 41,955,000</u>	<u>\$ 22,719,988</u>	<u>\$ 48,666,518</u>

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

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

Lockhart Economic Development Corporation

Year ending September 30,	Leases		First National Bank	
	Principal	Interest	Principal	Interest
2024	\$ 16,840	\$ 470	\$ 23,283	\$ 3,262
2025	8,753	67	24,315	2,230
2026	-	-	25,384	1,161
2027	-	-	13,138	166
	<u>\$ 25,594</u>	<u>536</u>	<u>\$ 86,119</u>	<u>6,819</u>

The LEDC entered into a lease to finance the use of a building. The property is classified as right to use asset with a total carrying value as of yearend for component unit activities of \$24,009.

Year ending September 30,	2020 Sales Tax and Revenue Bonds	
	Principal	Interest
2024	\$ 100,000	\$ 33,345
2025	100,000	30,875
2026	100,000	28,405
2027	105,000	25,935
2028	110,000	23,342
2029	110,000	20,625
2030	115,000	17,908
2031	115,000	15,067
2032	120,000	12,227
2033	120,000	9,263
2034	125,000	6,299
2035	130,000	3,211
	<u>\$ 1,350,000</u>	<u>226,499</u>

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

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.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities:					
Compensated absences	\$ 555,847	\$ 389,770	\$ (484,107)	\$ 461,510	\$ 415,359
Total Governmental Activities	<u>\$ 555,847</u>	<u>\$ 389,770</u>	<u>\$ (484,107)</u>	<u>\$ 461,510</u>	<u>\$ 415,359</u>
Other long-term liabilities due in more than one year				<u>\$ 46,151</u>	
Business-Type Activities:					
Compensated absences	\$ 82,661	\$ 76,740	\$ (84,248)	\$ 75,153	\$ 67,638
Total Business-Type Activities	<u>\$ 82,661</u>	<u>\$ 76,740</u>	<u>\$ (84,248)</u>	<u>\$ 75,153</u>	<u>\$ 67,638</u>
Other long-term liabilities due in more than one year				<u>\$ 7,515</u>	

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 \$140,652 and \$98,687, respectively. Current year amortization expense for governmental and business-type activities totaled \$23,442 and \$16,447, respectively.

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

I. Interfund Transactions

The compositions of interfund advances to/from balances as of the year ended September 30, 2023 were as follows:

Due to:	Due from:	
	General Fund	Total
Water Fund	\$ 115,871	115,871
Nonmajor govt.	44,311	44,311
Total	\$ 160,182	\$ 160,182

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 2023 year were as follows:

Transfers In:	Transfers Out:						Total
	General	Electric	Water	Wastewater	Nonmajor governmental	Nonmajor enterprise	
General	\$ -	\$ 2,318,922	\$ 297,393	\$ 755,307	\$ 670,016	\$ 321,361	\$ 4,362,999
Nonmajor govt	71,560	-	-	160,000	100,000	-	331,560
Water	-	-	-	542,787	750,000	-	1,292,787
Total	\$ 71,560	\$ 2,318,922	\$ 297,393	\$ 1,458,094	\$ 1,520,016	\$ 321,361	\$ 5,987,346

The LEDC transferred \$63,979 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.

City of Lockhart, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

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 919 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.

City of Lockhart, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

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:

	<u>Plan Year 2021</u>	<u>Plan Year 2022</u>
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, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	101
Inactive employees entitled to but not yet receiving benefits	140
Active employees	136
Total	377

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

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 12.63% and 12.47% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023, were \$944,606, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, 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, 2022 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

City of Lockhart, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

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 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Other Public/Private Markets	12.0%	8.10%
Real Estate	12.0%	5.80%
Hedge Funds	5.0%	6.90%
Private Equity	10.0%	11.80%
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

City of Lockhart, Texas

NOTES TO THE FINANCIAL STATEMENTS, Continued

September 30, 2023

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, \$6,383,098 is related to the primary government, and \$673,720 is attributable to discretely presented component unit.

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net	Total Net Pension	Primary Government	Component Units
Balance at 12/31/21	\$ 40,554,638	\$ 38,669,420	\$ 1,885,218	\$ 1,847,891	\$ 37,327
Changes for the year:					
Service cost	1,019,640	-	1,019,640	922,294	97,346
Interest	2,695,766	-	2,695,766	2,438,399	257,367
Change in benefit terms	-	-	-	-	-
Difference between expected and actual experience	57,152	-	57,152	51,696	5,456
Changes of assumptions	-	-	-	-	-
Contributions – employer	-	953,882	(953,882)	(862,814)	(91,068)
Contributions – employee	-	464,176	(464,176)	(419,861)	(44,315)
Net investment income(loss)	-	(2,821,822)	2,821,822	2,552,420	269,402
Benefit payments, including refunds of emp. contributions	(2,254,366)	(2,254,366)	-	-	-
Administrative expense	-	(24,426)	24,426	22,094	2,332
Other changes	-	29,148	(29,148)	(169,022)	139,874
Net changes	1,518,192	(3,653,408)	5,171,600	4,535,207	636,393
Balance at 12/31/22	\$ 42,072,830	\$ 35,016,012	\$ 7,056,818	\$ 6,383,098	\$ 673,720

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

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

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	Current Single Rate	1% Increase
5.75%	Assumption 6.75%	7.75%
\$ 11,762,142	\$ 6,383,098	\$ 2,011,760

Component Unit

1% Decrease	Current Single Rate	1% Increase
5.75%	Assumption 6.75%	7.75%
\$ 1,241,465	\$ 673,720	\$ 212,336

Total

1% Decrease	Current Single Rate	1% Increase
5.75%	Assumption 6.75%	7.75%
\$ 13,003,607	\$ 7,056,818	\$ 2,224,096

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.tmr.com.

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

For the year ended September 30, 2023, the City recognized pension expense of \$1,664,319. Of this amount, \$1,505,425 is related to the primary government and \$158,984 is attributable to the discretely presented component unit.

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

At September 30, 2023, 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	\$ 2,224,248	\$ -
Differences between expected and actual economic experience	337,240	-
Contributions subsequent to the measurement date	597,209	-
Component Units:		
Difference between projected and actual investment earnings	234,764	-
Differences between expected and actual economic experience	35,595	-
Contributions subsequent to the measurement date	63,034	-
Total	\$ 3,492,090	\$ -

The primary government and component units reported \$597,209 and \$63,034, 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, 2024.

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

	Primary Government	Discretely Presented Component Units	Total
Year ended December 31:			
2023	\$ 375,491	\$ 39,632	\$ 415,123
2024	607,978	64,171	672,149
2025	595,339	62,836	658,175
2026	982,681	103,719	1,086,400
2027	-	-	-
Thereafter	-	-	-
	\$ 2,561,488	\$ 270,359	\$ 2,831,847

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

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, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	70
Inactive employees entitled to but not yet receiving benefits	24
Active employees	136
Total	230

The City's contributions to the TMRS SDBF for the years ended 2023, 2022, and 2021 were \$10,839, \$10,386 and \$9,355, respectively, which equaled the required contributions each year.

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

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
2021	0.15%	0.15%	100.0%
2022	0.13%	0.13%	100.0%
2023	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, 2022, 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, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5%, including inflation per year
Discount rate	4.05%
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.

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 4.05%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

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 1.84%, 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 (0.84%) or 1-percentage-point higher (2.84%) than the current rate:

1% Decrease ▼ (3.05%)	Current Single Rate Assumption 4.05%	1% Increase ▼ (5.05%)
\$ 490,316	\$ 414,810	\$ 355,531

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/21	\$ 572,624
Changes for the year:	
Service Cost	29,398
Interest	10,714
Difference between expected and actual experience	7,532
Changes of assumptions	(195,401)
Benefit payments	(10,057)
Net changes	(157,814)
Balance at 12/31/22	\$ 414,810

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

For the year ended September 30, 2023, the City recognized OPEB expense for the SDBF of \$15,045. Total aggregate OPEB expense was \$39,612 including the healthcare benefit OPEB discussed in the subsequent section.

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

At September 30, 2023, the City reported deferred outflows of resources related to the OPEB liability from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Difference between expected and actual experience	\$ -	\$ (21,407)
Changes in assumptions and other inputs	-	(102,434)
Contributions subsequent to measurement date	7,841	-
Total	<u>\$ 7,841</u>	<u>\$ (123,841)</u>

The City reported \$7,841 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, 2024.

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

Year ended December 31:		
2023	\$	(19,253)
2024		(26,571)
2025		(35,612)
2026		(36,231)
2027		(6,174)
Thereafter		-
	<u>\$</u>	<u>(123,841)</u>

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.

City of Lockhart, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

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.

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, 2022 and measured as of September 30, 2023 uses the mortality table: RPH 2014 Total Table with Projection MP-2021 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 2022 actuarial valuation for the development of the GASB 75 disclosures related to OPEB benefits for the year ended September 30, 2023.

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.

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

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	4.77%
Inflation Rate	2.5%
Salary Growth	3.5%
Healthcare Cost Trend Rate (Initial/Ultimate)	4.5% for medical

At the September 30, 2022 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, 2022 valuation date, the following employees were covered by the benefit terms:

Status	Employee	Employee & Spouse
Inactive employees or beneficiaries currently receiving benefits	5	0
Active employees	44	10
Total	49	10

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.77%. The discount rate was based on the Bond Buyer GO Bond 20 Year Index rate as of September 30, 2022, 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 4.77%, 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 (3.77%) or 1-percentage-point higher (5.77%) than the current rate:

1% Decrease (3.77%)	Current Single Rate Assumption 4.77%	1% Increase (5.77%)
\$ 413,305	\$ 382,938	\$ 355,388

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

Healthcare Cost Trend

1% Decrease (3.5%)	Current Healthcare Cost Trend (4.5%)	1% Increase (5.5%)
\$ 351,151	\$ 382,938	\$ 419,471

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 9/30/2022	\$ 382,159
Changes for the year:	
Service Cost	6,779
Interest	17,980
Difference between expected and actual experience	-
Changes of assumptions	-
Benefit payments	(23,980)
Net changes	779
Balance at 9/30/2022	\$ 382,938

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

For the year ended September 30, 2023, the City recognized OPEB expense for the health benefit plan of \$24,567.

At September 30, 2023, 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	\$ 22,261	\$ -
Change in assumptions	-	(34,643)
Total	\$ 22,261	\$ (34,643)

City of Lockhart, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2023

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

Year ended September 30:		
2024	\$	(192)
2025		(192)
2026		(2,781)
2027		(6,833)
2028		(2,384)
Thereafter		-
	\$	<u>(12,382)</u>

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, 2023:

\$8,696 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.

City of Lockhart, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2023

G. Restatement

Due to the implementation of GASB Statement No. 96, Subscription-Based Information Technology Arrangements ("SBITA"), the governmental activities restated capital assets and long-term liabilities for as follows:

	Governmental Activities
Prior year ending net position, as reported	\$ 22,372,556
Adoption of GASB 96 (SBITA) - right-to-use assets	151,988
Adoption of GASB 96 (SBITA) - subscription liabilities	(151,988)
Restated beginning net position	<u>\$ 22,372,556</u>

H. New Accounting Pronouncements

The City has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 96, entitled Subscription-Based Information Technology Arrangements ("SBITA"). When implementing GASB 96, the City records right to use assets and subscription liabilities based on the present value of the payments for the related arrangements. The assets will be included within capital assets, and amortized straight-line over the term of the arrangement. The liabilities will accrue interest at the implied rate estimated by the City, and are relieved with payments over the term of the arrangements.

I. Subsequent Events

On October 1, 2023, the City's contract for third party EMS activities ended. The City will subsequently operate emergency medical services and emergency ambulance services as a department of the City.

There were other no other subsequent events through March 15, 2024, the date the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION

City of Lockhart, Texas

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

GENERAL FUND (Page 1 of 2)

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Property tax	\$ 4,920,300	\$ 4,920,300	\$ 5,269,471	\$ 349,171
Sales tax	2,310,850	2,310,850	2,712,526	401,676
Franchise and local taxes	369,600	369,600	404,247	34,647
License and permits	366,500	366,500	219,121	(147,379)
Charges for services	91,800	91,800	1,218,468	1,126,668
Intergovernmental	443,059	443,059	163,321	(279,738)
Fines and forfeitures	291,500	291,500	444,063	152,563
Investment income	11,000	11,000	599,520	588,520
Other revenue	76,648	76,648	249,470	172,822
Total Revenues	8,881,257	8,881,257	11,280,207	2,398,950
<u>Expenditures</u>				
Current:				
General government	1,992,122	2,021,640	1,753,222	268,418
Public safety	7,741,939	7,741,939	6,270,986	1,470,953
Public works	3,824,412	3,824,836	2,124,476	1,700,360
Health and welfare	60,960	60,960	9,086	51,874
Culture and recreation	2,445,528	2,445,528	1,803,531	641,997
Community development	1,284,980	1,284,980	1,933,286	(648,306)
Debt Service:				
Principal	164,023	164,023	164,023	-
Interest and fiscal charges	19,581	19,581	19,581	-
Total Expenditures	17,533,545	17,563,487	14,078,191	3,485,296
Revenues Over (Under)				
Expenditures	(8,652,288)	(8,682,230)	(2,797,984)	5,884,246

City of Lockhart, Texas

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

GENERAL FUND (Page 2 of 2)

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Other Financing Sources (Uses)</u>				
Sale of assets	\$ 25,000	\$ 25,000	\$ 34,000	\$ 9,000
Transfers in	8,189,991	8,189,991	4,362,999	(3,826,992)
Transfers (out)	(65,000)	(65,000)	(71,560)	(6,560)
Total Other Financing Sources (Uses)	8,149,991	8,149,991	4,325,439	(3,824,552)
 Net Change in Fund Balance	 \$ (502,297)	 \$ (532,239)	 1,527,455	 \$ 2,059,694
Beginning fund balance			10,879,515	
Ending Fund Balance			\$ 12,406,970	

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:

	12/31/2022	12/31/2021	12/31/2020
Total pension liability			
Service cost	\$ 1,019,640	\$ 1,005,010	\$ 961,008
Interest	2,695,766	2,527,075	2,392,058
Differences between expected and actual experience	57,152	850,154	193,047
Changes of assumptions	-	-	-
Benefit payments, including refunds of participant contributions	(2,254,366)	(1,526,480)	(1,609,242)
Net change in total pension liability	1,518,192	2,855,759	1,936,871
Total pension liability - beginning	40,554,638	37,698,879	35,762,008
Total pension liability - ending (a)	42,072,830	40,554,638	37,698,879
Plan fiduciary net position			
Contributions - employer	\$ 953,882	\$ 950,147	\$ 933,321
Contributions - members	464,176	457,169	437,153
Net investment income	(2,821,822)	4,474,872	2,439,599
Benefit payments, including refunds of participant contributions	(2,254,366)	(1,526,480)	(1,609,242)
Administrative expenses	(24,426)	(20,710)	(15,791)
Other	29,148	142	(616)
Net change in plan fiduciary net position	(3,653,408)	4,335,140	2,184,424
Plan fiduciary net position - beginning	38,669,420	34,334,280	32,149,856
Plan fiduciary net position - ending (b)	\$ 35,016,012	\$ 38,669,420	\$ 34,334,280
Fund's net pension liability - ending (a) - (b)	\$ 7,056,818	\$ 1,885,218	\$ 3,364,599
Plan fiduciary net position as a percentage of the total pension liability	83.23%	95.35%	91.08%
Covered payroll	\$ 7,736,270	\$ 7,619,481	\$ 7,285,883
Fund's pension liability as a percentage of covered payroll	91.22%	24.74%	46.18%

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.

<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u> ¹
\$ 908,475	\$ 861,176	\$ 803,650	\$ 809,909	\$ 755,292	\$ 659,622
2,267,377	2,158,275	2,050,665	1,924,544	1,840,606	1,759,695
(28,525)	(144,312)	(95,374)	213,804	541,546	(275,265)
94,975	-	-	-	143,888	-
(1,233,643)	(1,331,302)	(1,055,658)	(1,097,681)	(1,084,811)	(987,219)
2,008,659	1,543,837	1,703,283	1,850,576	2,196,521	1,156,833
33,753,349	32,209,512	30,506,229	28,655,653	26,459,132	25,302,299
35,762,008	33,753,349	32,209,512	30,506,229	28,655,653	26,459,132
\$ 884,655	\$ 848,460	\$ 779,767	\$ 708,591	\$ 721,903	\$ 662,456
408,304	385,314	358,239	358,731	352,824	321,581
4,299,655	(862,453)	3,497,425	1,599,743	34,935	1,282,369
(1,233,643)	(1,331,302)	(1,055,658)	(1,097,681)	(1,084,811)	(987,219)
(24,299)	(16,669)	(18,124)	(18,076)	(21,283)	(13,388)
(730)	(872)	(918)	(974)	(1,051)	(1,101)
4,333,942	(977,522)	3,560,731	1,550,334	2,517	1,264,698
27,815,914	28,793,436	25,232,705	23,682,371	23,679,854	22,415,156
\$ 32,149,856	\$ 27,815,914	\$ 28,793,436	\$ 25,232,705	\$ 23,682,371	\$ 23,679,854
\$ 3,612,152	\$ 5,937,435	\$ 3,416,076	\$ 5,273,524	\$ 4,973,282	\$ 2,779,278
89.90%	82.41%	89.39%	82.71%	82.64%	89.50%
\$ 6,805,058	\$ 6,421,896	\$ 5,970,653	\$ 5,937,749	\$ 5,730,595	\$ 5,359,686
53.08%	92.46%	57.21%	88.81%	86.78%	51.86%

City of Lockhart, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	9/30/2023	9/30/2022	9/30/2021
Actuarially determined employer contributions	\$ 944,606	\$ 946,174	\$ 941,155
Contributions in relation to the actuarially determined contribution	\$ 944,606	\$ 946,174	\$ 941,155
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Annual covered payroll	\$ 7,533,848	\$ 7,648,561	\$ 7,490,384
Employer contributions as a percentage of covered payroll	12.54%	12.37%	12.56%

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	23 years
Asset Valuation Method	10 Year smoothed fair value; 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.

<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u> ¹
\$ 896,545	\$ 872,807	\$ 829,948	\$ 754,327	\$ 734,637	\$ 692,664
<u>\$ 896,545</u>	<u>\$ 872,807</u>	<u>\$ 829,948</u>	<u>\$ 754,327</u>	<u>\$ 734,637</u>	<u>\$ 692,664</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,972,445	\$ 6,687,118	\$ 6,300,160	\$ 5,911,532	\$ 6,129,529	\$ 5,617,224
12.86%	13.05%	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 <u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Total OPEB liability				
Service cost	\$ 29,398	\$ 28,954	\$ 23,315	\$ 17,693
Interest	10,714	10,983	13,308	14,621
Differences between expected and actual experience	7,532	(13,022)	(36,363)	(18,892)
Changes of assumptions	(195,401)	16,765	70,035	77,468
Benefit payments	<u>(10,057)</u>	<u>(11,429)</u>	<u>(4,372)</u>	<u>(3,403)</u>
Net changes	<u>(157,814)</u>	<u>32,251</u>	<u>65,923</u>	<u>87,487</u>
Total OPEB liability - beginning	<u>572,624</u>	<u>540,373</u>	<u>474,450</u>	<u>386,963</u>
Total OPEB liability - ending	² <u><u>\$ 414,810</u></u>	<u><u>\$ 572,624</u></u>	<u><u>\$ 540,373</u></u>	<u><u>\$ 474,450</u></u>
 Covered employee payroll	 \$ 7,736,270	 \$ 7,619,481	 \$ 7,285,883	 \$ 6,805,058
Fund's net position as a percentage of covered employee payroll	5.36%	7.52%	7.42%	6.97%

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.

<u>12/31/2018</u>	<u>12/31/2017</u>
\$ 19,266	\$ 15,524
13,571	13,276
(17,158)	-
(27,464)	31,482
(3,211)	(3,582)
<u>(14,996)</u>	<u>56,700</u>
<u>401,959</u>	<u>345,259</u>
<u>\$ 386,963</u>	<u>\$ 401,959</u>
\$ 6,421,896	\$ 5,970,653
6.03%	6.73%

City of Lockhart, Texas

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

Years Ended:

	¹ 9/30/2023	9/30/2022	9/30/2021
Total OPEB liability			
Service cost	\$ 6,779	\$ 13,045	\$ 13,045
Interest	17,980	9,628	9,754
Differences between expected and actual experience	-	38,165.0	-
Changes of assumptions	-	(81,547.0)	-
Benefit payments	(23,980)	(23,980)	(32,804)
Net changes	<u>779</u>	<u>(44,689)</u>	<u>(10,005)</u>
Total OPEB liability - beginning	<u>382,159</u>	<u>426,848</u>	<u>436,853</u>
Total OPEB liability - ending	² <u>\$ 382,938</u>	<u>\$ 382,159</u>	<u>\$ 426,848</u>
 Covered employee payroll	 \$ 3,307,156	 \$ 3,307,156	 \$ 3,307,156
Fund's net position as a percentage of covered employee payroll	11.58%	11.56%	12.91%

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.

<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
\$ 11,786	\$ 11,786	\$ 11,326
15,971	15,460	15,641
(9,846)	-	-
53,744	-	-
(32,804)	(20,086)	(20,086)
<u>38,851</u>	<u>7,160</u>	<u>6,881</u>
<u>398,002</u>	<u>390,842</u>	<u>383,961</u>
<u>\$ 436,853</u> ²	<u>\$ 398,002</u> ²	<u>\$ 390,842</u>
\$ 3,307,156	\$ 3,778,438	\$ 3,778,438
13.21%	10.53%	10.34%

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***COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES***

City of Lockhart, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2023

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
<u>Assets</u>				
Cash and cash equivalents	\$ 298,476	\$ 5,261,973	\$ 1,142,856	\$ 6,703,305
Accounts receivable	97,144	156,910	-	254,054
Total Assets	\$ 395,620	\$ 5,429,110	\$ 1,142,856	\$ 6,967,586
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 252,746	\$ -	\$ 252,746
Due to other funds	-	44,311	-	44,311
Total Liabilities	-	297,057	-	297,057
<u>Deferred Inflows/Outflows</u>				
Unavailable revenue-tax	97,145	-	-	97,145
Unavailable revenue-fines	-	8,479	-	8,479
Total Deferred Inflows	97,145	8,479	-	105,624
<u>Fund Balances</u>				
Nonspendable:				
Prepays	-	10,227	-	10,227
Restricted for:				
Debt service	298,475	-	-	298,475
General government	-	84,552	-	84,552
Public safety	-	23,351	-	23,351
Municipal court	-	135,713	-	135,713
Tourism	-	172,985	-	172,985
Capital projects	-	4,723,712	1,142,856	5,866,568
Unassigned	-	(26,966)	-	(26,966)
Total Fund Balances	298,475	5,123,574	1,142,856	6,564,905
Total Liabilities, Deferred Inflows and Fund Balances	\$ 395,620	\$ 5,429,110	\$ 1,142,856	\$ 6,967,586

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, 2023

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
<u>Revenues</u>				
Property tax	\$ 1,740,778	\$ -	\$ -	\$ 1,740,778
Hotel occupancy tax	-	178,602	-	178,602
Fines and forfeitures	-	17,776	-	17,776
License and permits	-	1,079,648	-	1,079,648
Charges for services	-	688,987	-	688,987
Intergovernmental	23,600	179,870	-	203,470
Investment income	46,507	166,763	81,088	294,358
Total Revenues	<u>1,810,885</u>	<u>2,311,646</u>	<u>81,088</u>	<u>4,203,619</u>
<u>Expenditures</u>				
General government	-	145,800	-	145,800
Public safety	-	259,423	-	259,423
Public works	-	789,815	-	789,815
Debt service:				
Principal	1,252,586	-	-	1,252,586
Interest	415,347	-	-	415,347
Capital outlay	-	-	757,984	757,984
Total Expenditures	<u>1,667,933</u>	<u>1,195,038</u>	<u>757,984</u>	<u>3,620,955</u>
Revenues Over (Under)				
Expenditures	<u>142,952</u>	<u>1,116,608</u>	<u>(676,896)</u>	<u>582,664</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	260,000	71,560	-	331,560
Transfers (out)	-	(1,520,016)	-	(1,520,016)
Total Other Financing Sources				
(Uses)	<u>260,000</u>	<u>(1,448,456)</u>	<u>-</u>	<u>(1,188,456)</u>
Net Change in Fund Balances	402,952	(331,848)	(676,896)	(605,792)
Beginning fund balances	(104,477)	5,455,422	1,819,752	7,170,697
Ending Fund Balances	<u>\$ 298,475</u>	<u>\$ 5,123,574</u>	<u>\$ 1,142,856</u>	<u>\$ 6,564,905</u>

See Notes to Financial Statements.

City of Lockhart, Texas
COMBINING BALANCE SHEET (Page 1 of 2)
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2023

	Radio Tower Equipment Replacement	Forfeited Property	Hotel/ Motel Tax	LEOSE Fund
<u>Assets</u>				
Cash and cash equivalents	\$ 4,123	\$ 9,930	\$ 159,980	\$ 13,421
Accounts receivable	-	-	30,584	-
Prepaid	-	-	-	-
Total Assets	\$ 4,123	\$ 9,930	\$ 190,564	\$ 13,421
<u>Liabilities</u>				
Accounts payable and accrued liab.	\$ -	\$ -	\$ 10,000	\$ -
Due to other funds	-	-	7,579	-
Total Liabilities	-	-	17,579	-
<u>Deferred Inflows</u>				
Unavailable revenue-fines and fees	-	-	-	-
Total Deferred Inflows	-	-	-	-
<u>Fund Balances</u>				
Nonspendable:				
Prepays	-	-	-	-
Restricted for:				
General government	-	-	-	-
Public safety	-	9,930	-	13,421
Municipal court	-	-	-	-
Tourism	-	-	172,985	-
Capital projects	4,123	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	4,123	9,930	172,985	13,421
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 4,123	\$ 9,930	\$ 190,564	\$ 13,421

See Notes to Financial Statements.

Road Impact Fees #1	Road Impact Fees #2	Court Technology	Radio System Maintenance	Court Security
\$ 1,725,078	\$ 1,132,808	\$ -	\$ -	\$ 4,871
-	-	1,708	-	1,947
-	-	10,227	-	-
<u>\$ 1,725,078</u>	<u>\$ 1,132,808</u>	<u>\$ 11,935</u>	<u>\$ -</u>	<u>\$ 6,818</u>
\$ 944	\$ 945	\$ 85	\$ 1,052	\$ -
-	-	11,863	13,966	-
<u>944</u>	<u>945</u>	<u>11,948</u>	<u>15,018</u>	<u>-</u>
-	-	1,708	-	1,947
-	-	1,708	-	1,947
-	-	10,227	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	4,871
-	-	-	-	-
1,724,134	1,131,863	-	-	-
-	-	(11,948)	(15,018)	-
<u>1,724,134</u>	<u>1,131,863</u>	<u>(1,721)</u>	<u>(15,018)</u>	<u>4,871</u>
<u>\$ 1,725,078</u>	<u>\$ 1,132,808</u>	<u>\$ 11,935</u>	<u>\$ -</u>	<u>\$ 6,818</u>

City of Lockhart, Texas
COMBINING BALANCE SHEET (Page 2 of 2)
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2023

	Child Safety	Court Efficiency	Juvenile Case Manager	Truancy Court
<u>Assets</u>				
Cash and cash equivalents	\$ 47,139	\$ 13,580	\$ 60,070	\$ 9,681
Accounts receivable	810	1,726	2,132	121
Prepaid	-	-	-	-
Total Assets	\$ 47,949	\$ 15,306	\$ 62,202	\$ 9,802
<u>Liabilities</u>				
Accounts payable and accrued liab.	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
<u>Deferred Inflows</u>				
Unavailable revenue-fines and fees	810	1,726	2,132	121
Total Deferred Inflows	810	1,726	2,132	121
<u>Fund Balances</u>				
Nonspendable:				
Prepays	-	-	-	-
Restricted for:				
General government	-	-	-	-
Public safety	-	-	-	-
Municipal court	47,139	13,580	60,070	9,681
Tourism	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	47,139	13,580	60,070	9,681
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 47,949	\$ 15,306	\$ 62,202	\$ 9,802

See Notes to Financial Statements.

Local Municipal Jury	Cable Education	Transportation	Drainage	CARES Relief Act	Total Special Revenue Funds
\$ 372	\$ 79,230	\$ 281,762	\$ 14,333	\$ 1,705,595	\$ 5,261,973
35	6,678	77,582	33,587	-	156,910
-	-	-	-	-	10,227
<u>\$ 407</u>	<u>\$ 85,908</u>	<u>\$ 359,344</u>	<u>\$ 47,920</u>	<u>\$ 1,705,595</u>	<u>\$ 5,429,110</u>
\$ -	\$ 1,356	\$ -	\$ -	\$ 238,364	\$ 252,746
-	-	-	10,903	-	44,311
<u>-</u>	<u>1,356</u>	<u>-</u>	<u>10,903</u>	<u>238,364</u>	<u>297,057</u>
35	-	-	-	-	8,479
<u>35</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,479</u>
-	-	-	-	-	10,227
-	84,552	-	-	-	84,552
-	-	-	-	-	23,351
372	-	-	-	-	135,713
-	-	-	-	-	172,985
-	-	359,344	37,017	1,467,231	4,723,712
-	-	-	-	-	(26,966)
<u>372</u>	<u>84,552</u>	<u>359,344</u>	<u>37,017</u>	<u>1,467,231</u>	<u>5,123,574</u>
<u>\$ 407</u>	<u>\$ 85,908</u>	<u>\$ 359,344</u>	<u>\$ 47,920</u>	<u>\$ 1,705,595</u>	<u>\$ 5,429,110</u>

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, 2023

	Radio Tower Equipment Replacement	Forfeited Property	Hotel/ Motel Tax	LEOSE Fund
<u>Revenues</u>				
Hotel occupancy tax	\$ -	\$ -	\$ 157,865	\$ -
Fines and forfeitures	-	-	-	-
License and permits	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	1,743
Investment income	229	250	7,542	709
Total Revenues	229	250	165,407	2,452
<u>Expenditures</u>				
General government	-	-	122,613	-
Public safety	27	-	-	-
Public works	-	-	-	-
Total Expenditures	27	-	122,613	-
Revenues Over (Under) Expenditures	202	250	42,794	2,452
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	202	250	42,794	2,452
Beginning fund balances	3,921	9,680	130,191	10,969
Ending Fund Balances	\$ 4,123	\$ 9,930	\$ 172,985	\$ 13,421

See Notes to Financial Statements.

Road Impact Fees #1	Road Impact Fees #2	Court Technology	Radio System Maintenance	Court Security
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	3,784	-	3,871
762,088	317,560	-	-	-
-	-	-	-	-
-	-	-	174,970	-
78,851	53,508	-	-	467
840,939	371,068	3,784	174,970	4,338
-	-	1,080	-	12,364
13,788	13,788	-	231,707	-
-	-	-	-	-
13,788	13,788	1,080	231,707	12,364
827,151	357,280	2,704	(56,737)	(8,026)
-	-	-	71,560	-
-	-	-	-	-
-	-	-	71,560	-
827,151	357,280	2,704	14,823	(8,026)
896,983	774,583	(4,425)	(29,841)	12,897
\$ 1,724,134	\$ 1,131,863	\$ (1,721)	\$ (15,018)	\$ 4,871

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, 2023

	Child Safety	Court Efficiency	Juvenile Case Manager	Truancy Court
<u>Revenues</u>				
Franchise and local taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	1,087	2,847	4,732	1,371
License and permits	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	2,576	678	3,192	491
Total Revenues	<u>3,663</u>	<u>3,525</u>	<u>7,924</u>	<u>1,862</u>
<u>Expenditures</u>				
General government	-	-	-	-
Public safety	-	-	113	-
Public works	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>113</u>	<u>-</u>
Revenues Over (Under)				
Expenditures	<u>3,663</u>	<u>3,525</u>	<u>7,811</u>	<u>1,862</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources				
(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	3,663	3,525	7,811	1,862
Beginning fund balances	43,476	10,055	52,259	7,819
Ending Fund Balances	<u>\$ 47,139</u>	<u>\$ 13,580</u>	<u>\$ 60,070</u>	<u>\$ 9,681</u>

See Notes to Financial Statements.

Local Municipal Jury	Cable Education	Transportation	Drainage	CARES Relief Act	Total Special Revenue Funds
\$ -	\$ 20,737	\$ -	\$ -	\$ -	\$ 178,602
84	-	-	-	-	17,776
-	-	-	-	-	1,079,648
-	-	477,441	211,546	-	688,987
-	-	-	-	3,157	179,870
-	4,105	12,813	1,352	-	166,763
84	24,842	490,254	212,898	3,157	2,311,646
-	9,743	-	-	-	145,800
-	-	-	-	-	259,423
-	-	-	2,686	787,129	789,815
-	9,743	-	2,686	787,129	1,195,038
84	15,099	490,254	210,212	(783,972)	1,116,608
-	-	-	-	-	71,560
-	-	(400,000)	(250,000)	(870,016)	(1,520,016)
-	-	(400,000)	(250,000)	(870,016)	(1,448,456)
84	15,099	90,254	(39,788)	(1,653,988)	(331,848)
288	69,453	269,090	76,805	3,121,219	5,455,422
\$ 372	\$ 84,552	\$ 359,344	\$ 37,017	\$ 1,467,231	\$ 5,123,574

City of Lockhart, Texas
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
September 30, 2023

	Clearfork Section 1 Sidewalk	Maple 2201 Trail Project	2015 Certificates of Obligation
<u>Assets</u>			
Cash and cash equivalents	\$ 34,491	\$ 15,000	\$ 1,073,365
Total Assets	\$ 34,491	\$ 15,000	\$ 1,073,365
<u>Fund Balances</u>			
Restricted for:			
Capital projects	34,491	15,000	1,073,365
Total Fund Balances	34,491	15,000	1,073,365
Total Liabilities and Fund Balances	\$ 34,491	\$ 15,000	\$ 1,073,365

See Notes to Financial Statements.

Maple Street Park Improvements		Total
\$	20,000	\$ 1,142,856
\$	20,000	\$ 1,142,856
	20,000	1,142,856
	20,000	1,142,856
\$	20,000	\$ 1,142,856

City of Lockhart, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECT FUNDS For the Year Ended September 30, 2023

	Clearfork Section 1 Sidewalk	Maple 2201 Trail Project	2015 Certificates of Obligation
<u>Revenues</u>			
Investment income	\$ 868	\$ -	\$ 80,220
Total Revenues	868	-	80,220
<u>Expenditures</u>			
Capital outlay	-	-	757,984
Total Expenditures	-	-	757,984
Net Change in Fund Balances	868	-	(677,764)
Beginning fund balances	33,623	15,000	1,751,129
Ending Fund Balances	\$ 34,491	\$ 15,000	\$ 1,073,365

See Notes to Financial Statements.

Maple Street Park Improvements	Total
\$ -	\$ 81,088
-	81,088
-	757,984
-	757,984
-	(676,896)
20,000	1,819,752
\$ 20,000	\$ 1,142,856

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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, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Investment income	\$ 120	\$ 229	\$ 109
Total Revenues	120	229	109
<u>Expenditures</u>			
Public safety	9,885	27	9,858
Total Expenditures	9,885	27	9,858
Net Change in Fund Balances	\$ (9,765)	202	\$ 9,967
Beginning fund balances		3,921	
Ending Fund Balances		\$ 4,123	

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, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 70	\$ -	\$ (70)
Investment income	-	250	250
Total Revenues	<u>70</u>	<u>250</u>	<u>180</u>
<u>Expenditures</u>			
General government	10,807	-	10,807
Total Expenditures	<u>10,807</u>	<u>-</u>	<u>10,807</u>
Revenues Over (Under) Expenditures	<u>(10,737)</u>	<u>250</u>	<u>10,987</u>
Net Change in Fund Balances	<u>\$ (10,737)</u>	<u>250</u>	<u>\$ 10,987</u>
Beginning fund balances		9,680	
Ending Fund Balances		<u>\$ 9,930</u>	

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, 2023

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Hotel occupancy tax	\$ 126,420	\$ 157,865	\$ 31,445
Investment income	-	7,542	7,542
Total Revenues	<u>126,420</u>	<u>165,407</u>	<u>38,987</u>
<u>Expenditures</u>			
General government	77,450	122,613	(45,163)
Total Expenditures	<u>77,450</u>	<u>122,613</u>	<u>(45,163) *</u>
Net Change in Fund Balances	<u>\$ 48,970</u>	42,794	<u>\$ (6,176)</u>
Beginning fund balances		130,191	
Ending Fund Balances		<u>\$ 172,985</u>	

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

ROAD IMPACT FEES #1

For the Year Ended September 30, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
License and permits	\$ 24,000	\$ 762,088	\$ 738,088
Investment income	-	78,851	78,851
Total Revenues	24,000	840,939	816,939
<u>Expenditures</u>			
General government	-	13,788	(13,788)
Capital outlay	666,532	-	666,532
Total Expenditures	666,532	13,788	652,744
Revenues Over (Under) Expenditures	(642,532)	827,151	1,469,683
Net Change in Fund Balances	\$ (642,532)	827,151	\$ 1,469,683
Beginning fund balances		896,983	
Ending Fund Balances		\$ 1,724,134	

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, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
License and permits	\$ 35,000	\$ 317,560	\$ 282,560
Investment income	-	53,508	53,508
Total Revenues	35,000	371,068	336,068
<u>Expenditures</u>			
Public safety	-	13,788	(13,788)
Capital outlay	285,977	-	285,977
Total Expenditures	285,977	13,788	272,189
Revenues Over (Under) Expenditures	(250,977)	357,280	608,257
Net Change in Fund Balances	\$ (250,977)	357,280	\$ 608,257
Beginning fund balances		774,583	
Ending Fund Balances		\$ 1,131,863	

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, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 3,200	\$ 3,784	\$ 584
Total Revenues	<u>3,200</u>	<u>3,784</u>	<u>584</u>
<u>Expenditures</u>			
General government	11,389	1,080	10,309
Total Expenditures	<u>11,389</u>	<u>1,080</u>	<u>10,309</u>
Revenues Over (Under) Expenditures	<u>(8,189)</u>	<u>2,704</u>	<u>10,893</u>
Net Change in Fund Balances	<u>\$ (8,189)</u>	<u>2,704</u>	<u>\$ 10,893</u>
Beginning fund balances		(4,425)	
Ending Fund Balances		<u>\$ (1,721)</u>	

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 RADIO SYSTEM MAINTENANCE For the Year Ended September 30, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 185,440	\$ 174,970	\$ (10,470)
Total Revenues	<u>185,440</u>	<u>174,970</u>	<u>(10,470)</u>
<u>Expenditures</u>			
Public safety	207,572	231,707	(24,135)
Total Expenditures	<u>207,572</u>	<u>231,707</u>	<u>(24,135) *</u>
Revenues Over (Under) Expenditures	<u>(22,132)</u>	<u>(56,737)</u>	<u>(34,605)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers in	-	71,560	71,560
Total Other Financing Sources (Uses)	<u>-</u>	<u>71,560</u>	<u>71,560</u>
Net Change in Fund Balances	<u>\$ (22,132)</u>	<u>14,823</u>	<u>\$ 36,955</u>
Beginning fund balances		(29,841)	
Ending Fund Balances		<u>\$ (15,018)</u>	

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, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 100	\$ 3,871	\$ 3,771
Investment income	-	467	467
Total Revenues	100	4,338	4,238
<u>Expenditures</u>			
General government	11,393	12,364	(971) *
Total Expenditures	11,393	12,364	(971)
Revenues Over (Under) Expenditures	(11,293)	(8,026)	3,267
Net Change in Fund Balances	\$ (11,293)	(8,026)	\$ 3,267
Beginning fund balances		12,897	
Ending Fund Balances		\$ 4,871	

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
CHILD SAFETY
For the Year Ended September 30, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 320	\$ 1,087	\$ 767
Investment income	-	2,576	2,576
Total Revenues	320	3,663	3,343
<u>Expenditures</u>			
General government	30,523	-	30,523
Total Expenditures	30,523	-	30,523
Revenues Over (Under) Expenditures	(30,203)	3,663	33,866
Net Change in Fund Balances	\$ (30,203)	3,663	\$ 33,866
Beginning fund balances		43,476	
Ending Fund Balances		\$ 47,139	

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, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 200	\$ 2,847	\$ 2,647
Investment income	-	678	678
Total Revenues	<u>200</u>	<u>3,525</u>	<u>3,325</u>
<u>Expenditures</u>			
Capital outlay	16,178	-	16,178
Total Expenditures	<u>16,178</u>	<u>-</u>	<u>16,178</u>
Revenues Over (Under) Expenditures	<u>(15,978)</u>	<u>3,525</u>	<u>19,503</u>
Net Change in Fund Balances	<u>\$ (15,978)</u>	<u>3,525</u>	<u>\$ 19,503</u>
Beginning fund balances		10,055	
Ending Fund Balances		<u>\$ 13,580</u>	

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, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 1,200	\$ 4,732	\$ 3,532
Investment income	-	3,192	3,192
Total Revenues	1,200	7,924	6,724
<u>Expenditures</u>			
General government	39,620	-	39,620
Public safety	-	113	(113)
Total Expenditures	39,620	113	39,507
Net Change in Fund Balances	\$ (38,420)	7,811	\$ 46,231
Beginning fund balances		52,259	
Ending Fund Balances		\$ 60,070	

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, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 325	\$ 1,371	\$ 1,046
Investment income	-	491	491
Total Revenues	<u>325</u>	<u>1,862</u>	<u>1,537</u>
<u>Expenditures</u>			
General government	7,283	-	7,283
Total Expenditures	<u>7,283</u>	<u>-</u>	<u>7,283</u>
Net Change in Fund Balances	<u>\$ (6,958)</u>	1,862	<u>\$ 8,820</u>
Beginning fund balances		7,819	
Ending Fund Balances		<u>\$ 9,681</u>	

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, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Hotel occupancy tax	\$ 1,600	\$ 20,737	\$ 19,137
Investment income	-	4,105	4,105
Total Revenues	1,600	24,842	23,242
<u>Expenditures</u>			
General government	61,373	9,743	51,630
Total Expenditures	61,373	9,743	51,630
Revenues Over (Under) Expenditures	(59,773)	15,099	74,872
Net Change in Fund Balances	\$ (59,773)	15,099	\$ 74,872
Beginning fund balances		69,453	
Ending Fund Balances		\$ 84,552	

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, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 360,000	\$ 477,441	\$ 117,441
Investment income	-	12,813	12,813
Total Revenues	360,000	490,254	130,254
<u>Expenditures</u>			
Public works	130,333	-	130,333
Total Expenditures	130,333	-	130,333
Revenues Over (Under) Expenditures	229,667	490,254	260,587
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	(400,000)	(400,000)	-
Total Other Financing Sources (Uses)	(400,000)	(400,000)	-
Net Change in Fund Balances	\$ (170,333)	90,254	\$ 260,587
Beginning fund balances		269,090	
Ending Fund Balances		\$ 359,344	

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, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 180,000	\$ 211,546	\$ 31,546
Investment income	-	1,352	1,352
Total Revenues	<u>180,000</u>	<u>212,898</u>	<u>32,898</u>
<u>Expenditures</u>			
Public works	10,220	2,686	7,534
Total Expenditures	<u>10,220</u>	<u>2,686</u>	<u>7,534</u>
Revenues Over (Under) Expenditures	<u>169,780</u>	<u>210,212</u>	<u>40,432</u>
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	(250,000)	(250,000)	-
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (80,220)</u>	<u>(39,788)</u>	<u>\$ 40,432</u>
Beginning fund balances		76,805	
Ending Fund Balances		<u>\$ 37,017</u>	

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, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ 1,000	\$ 1,743	\$ 743
Investment income	-	709	709
Total Revenues	1,000	2,452	1,452
<u>Expenditures</u>			
Public safety	11,512	-	11,512
Total Expenditures	11,512	-	11,512
Revenues Over (Under) Expenditures	(10,512)	2,452	12,964
Net Change in Fund Balances	\$ (10,512)	2,452	\$ 12,964
Beginning fund balances		10,969	
Ending Fund Balances		\$ 13,421	

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, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Investment income	\$ 120	\$ 868	\$ 748
Total Revenues	120	868	748
<u>Expenditures</u>			
Capital outlay	33,326	-	33,326
Total Expenditures	33,326	-	33,326
Net Change in Fund Balances	\$ (33,206)	868	\$ 34,074
Beginning fund balances		33,623	
Ending Fund Balances		\$ 34,491	

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, 2023

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Expenditures</u>			
Capital outlay	15,000	-	15,000
Total Expenditures	<u>15,000</u>	<u>-</u>	<u>15,000</u>
 Net Change in Fund Balances	 <u><u>\$ (15,000)</u></u>	 <u>-</u>	 <u><u>\$ 15,000</u></u>
Beginning fund balances		15,000	
Ending Fund Balances		<u><u>\$ 15,000</u></u>	

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, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Investment income	\$ 8,000	\$ 80,220	\$ 72,220
Total Revenues	8,000	80,220	72,220
<u>Expenditures</u>			
Capital outlay	2,603,679	757,984	1,845,695
Total Expenditures	2,603,679	757,984	1,845,695
Net Change in Fund Balances	\$ (2,595,679)	(677,764)	\$ 1,917,915
Beginning fund balances		1,751,129	
Ending Fund Balances		\$ 1,073,365	

Notes to Other Supplementary Information

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

See Notes to Financial Statements.

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***COMBINING NONMAJOR
ENTERPRISE FUNDS***

City of Lockhart, Texas
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (Page 1 of 2)
September 30, 2023

	Business-Type Activities		
	Sanitation	Airport	EMS
<u>Assets</u>			
<u>Current Assets</u>			
Cash and cash equivalents	\$ 712,358	\$ 237,928	\$ 323,471
Accounts receivable, net	303,830	500	783,507
Total Current Assets	1,016,188	238,428	1,106,978
<u>Noncurrent Assets</u>			
Capital assets:			
Non-depreciable	120,409	72,161	-
Net depreciable capital assets	84,346	1,164,659	535,617
Total Noncurrent Assets	204,755	1,236,820	535,617
Total Assets	1,220,943	1,475,248	1,642,595
<u>Deferred Outflows of Resources</u>			
Pension outflows-TMRS	58,060	-	-
OPEB outflows-TMRS	144	-	-
OPEB outflows-retiree healthcare	427	-	-
Total Deferred Outflows of Resources	58,631	-	-

See Notes to Financial Statements.

Business-Type Activities	
Total	
\$	1,273,757
	1,087,837
	2,361,594
	192,570
	1,784,622
	1,977,192
	4,338,786
	58,060
	144
	427
	58,631

City of Lockhart, Texas
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (Page 2 of 2)
September 30, 2023

	Business-Type Activities		
	Sanitation	Airport	EMS
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accounts payable	\$ 153,371	\$ 2,954	\$ 158,039
Accrued liabilities	5,206	495	-
Customer deposits	50	4,950	-
Compensated absences, current	3,225	575	-
Lease payable, current	6,564	-	17,391
Total Current Liabilities	168,416	8,974	175,430
<u>Noncurrent Liabilities</u>			
Compensated absences, noncurrent	358	64	-
Leases payable, noncurrent	2,946	-	-
Net pension liability	117,328	-	-
OPEB liability-TMRS	7,628	-	-
OPEB liability-Retiree healthcare	7,345	-	-
Total Noncurrent Liabilities	135,605	64	-
Total Liabilities	304,021	9,038	175,430
<u>Deferred Inflows of Resources</u>			
OPEB inflows-TMRS	2,278	-	-
OPEB inflows-retiree healthcare	665	-	-
Total Deferred Inflows of Resources	2,943	-	-
<u>Net Position</u>			
Net investment in capital assets	195,245	1,236,820	518,226
Unrestricted	777,365	229,390	948,939
Total Net Position	\$ 972,610	\$ 1,466,210	\$ 1,467,165

See Notes to Financial Statements.

Business-Type
Activities
Total

\$	314,364
	5,701
	5,000
	3,800
	23,955
	<u>352,820</u>

	422
	2,946
	117,328
	7,628
	7,345
	<u>135,669</u>
	<u>488,489</u>

	2,278
	665
	<u>2,943</u>

	1,950,291
	1,955,694
\$	<u><u>3,905,985</u></u>

City of Lockhart, Texas

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

For the Year Ended September 30, 2023

	Business-Type Activities		
	Sanitation	Airport	EMS
<u>Operating Revenues</u>			
Charges for services	\$ 1,944,417	\$ 102,387	\$ 1,780,405
Other revenue	27,691	-	-
Total Operating Revenues	1,972,108	102,387	1,780,405
<u>Operating Expenses</u>			
Personnel services	205,872	10,941	3,461
Supplies	3,878	-	1,403,014
Maintenance and repairs	1,552,742	14,436	437
Contractual services	12,354	202,295	8,812
Depreciation	22,363	55,831	92,264
Total Operating Expenses	1,797,209	283,503	1,507,988
Operating Income (Loss)	174,899	(181,116)	272,417
<u>Nonoperating Revenues (Expenses)</u>			
Intergovernmental	-	-	6,153
Investment earnings	42,124	15,649	14,314
Interest expense	(655)	-	-
Total Nonoperating Revenues (Expenses)	41,469	15,649	20,467
Income (Loss) Before Capital Contributions and Transfers	216,368	(165,467)	292,884
<u>Capital Contributions and Transfers</u>			
Capital grants	-	4,290	-
Transfers (out)	(321,361)	-	-
Total Capital Contributions and Transfers	(321,361)	4,290	-
Change in Net Position	(104,993)	(161,177)	292,884
Beginning net position	1,077,603	1,627,387	1,174,281
Ending Net Position	\$ 972,610	\$ 1,466,210	\$ 1,467,165

See Notes to Financial Statements.

**Business-Type
Activities**

Total	
\$	3,827,209
	27,691
	<u>3,854,900</u>

	220,274
	1,406,892
	1,567,615
	223,461
	170,458
	<u>3,588,700</u>

	<u>266,200</u>
--	----------------

	6,153
	72,087
	(655)
	<u>77,585</u>

343,785

	4,290
	(321,361)
	<u>(317,071)</u>

	26,714
	<u>3,879,271</u>
\$	<u><u>3,905,985</u></u>

City of Lockhart, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Page 1 of 2)
For the Year Ended September 30, 2023

	Business-Type Activities		
	Sanitation	Airport	EMS
<u>Cash Flows from Operating Activities</u>			
Payments to employees	\$ (207,920)	\$ (11,366)	\$ (3,461)
Payments to suppliers	(1,535,411)	(214,320)	(1,254,729)
Receipts from customers	1,955,433	102,387	1,727,637
Net Cash Provided (Used) by Operating Activities	212,102	(123,299)	469,447
<u>Cash Flows from Noncapital Financing Activities</u>			
Intergovernmental	-	-	6,153
Transfers (out)	(321,361)	-	-
Net Cash Provided (Used) by Noncapital Financing	(321,361)	-	6,153
<u>Cash Flows from Capital and Related Financing Activities</u>			
Acquisition and construction of capital assets	(28,067)	-	(264,276)
Capital contributions	-	4,290	-
Principal paid on capital debt	(6,140)	-	(17,392)
Interest paid on capital debt	(655)	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(34,862)	4,290	(281,668)
<u>Cash Flows from Investing Activities</u>			
Interest on investments	42,124	15,649	14,314
Net Cash Provided by Investing Activities	42,124	15,649	14,314
Net Increase (Decrease) in Cash and Cash	(101,997)	(103,360)	208,246
Beginning cash and cash equivalents	814,355	341,288	115,225
Ending Cash and Cash Equivalents	\$ 712,358	\$ 237,928	\$ 323,471

See Notes to Financial Statements.

**Business-Type
Activities**

Total

\$ (222,747)
(3,004,460)
3,785,457
558,250

6,153
(321,361)
(315,208)

(292,343)
4,290
(23,532)
(655)

(312,240)

72,087
72,087

2,889
1,270,868

\$ 1,273,757

City of Lockhart, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Page 2 of 2)
For the Year Ended September 30, 2023

	Business-Type Activities		
	Sanitation	Airport	EMS
<u>Reconciliation of Operating Income (Loss)</u>			
<u>to Net Cash Provided (Used) by Operating Activities</u>			
Operating Income (Loss)	\$ 174,899	\$ (181,116)	\$ 272,417
Adjustments to reconcile operating income (loss) to net cash provided (used):			
Depreciation	22,363	55,831	92,264
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(16,625)	-	(52,768)
Prepaid items	925	-	-
Deferred outflows:			
Pension	(34,344)	-	-
OPEB	2,997	-	-
Increase (Decrease) in:			
Accounts payable and accrued liabilities	32,638	2,411	157,534
Customer deposits	(50)	-	-
Compensated absences	(3,786)	(425)	-
Deferred inflows:			
Pension	(40,762)	-	-
OPEB	1,563	-	-
Net pension liability	83,847	-	-
OPEB liability	(11,563)	-	-
Net Cash Provided (Used) by Operating Activities	\$ 212,102	\$ (123,299)	\$ 469,447

See Notes to Financial Statements.

**Business-Type
Activities**

Total

\$ 266,200

170,458

(69,393)

925

(34,344)

2,997

192,583

(50)

(4,211)

(40,762)

1,563

83,847

(11,563)

\$ 558,250

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***COMBINING STATEMENTS
FIDUCIARY FUNDS***

City of Lockhart, Texas
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUSTS
September 30, 2023

	Glosserman Trust	Brock Cabin Trust	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 577	\$ 12	\$ 589
Total Assets	\$ 577	\$ 12	\$ 589
<u>Net Position</u>			
Restricted for:			
Various purposes	577	12	589
Total Net Position	\$ 577	\$ 12	\$ 589

See Notes to Financial Statements.

City of Lockhart, Texas
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUSTS
For the Year Ended September 30, 2023

	Glosserman Trust	Brock Cabin Trust	Total
<u>Additions</u>			
Investment income	\$ 32	\$ -	\$ 32
Total Additions	<u>32</u>	<u>-</u>	<u>32</u>
Net Change in Net Position	32	-	32
Beginning Net Position	545	12	557
Ending Net Position	<u><u>\$ 577</u></u>	<u><u>\$ 12</u></u>	<u><u>\$ 589</u></u>

See Notes to Financial Statements.

City of Lockhart, Texas
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
September 30, 2023

	<u>Confiscated Property</u>	<u>Unclaimed Property</u>	<u>Bicycle Helmet</u>	<u>Total</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 38,705	\$ 10,637	\$ 1,479	\$ 50,821
Prepays	-	1,211	-	1,211
Total Assets	<u><u>\$ 38,705</u></u>	<u><u>\$ 11,848</u></u>	<u><u>\$ 1,479</u></u>	<u><u>\$ 52,032</u></u>
<u>Liabilities</u>				
Due to other funds	17,447	10,989	1,117	29,553
Total Liabilities	<u>17,447</u>	<u>10,989</u>	<u>1,117</u>	<u>29,553</u>
<u>Net Position</u>				
Restricted for:				
Various purposes	21,258	859	362	22,479
Total Net Position	<u><u>\$ 21,258</u></u>	<u><u>\$ 859</u></u>	<u><u>\$ 362</u></u>	<u><u>\$ 22,479</u></u>

See Notes to Financial Statements.

City of Lockhart, Texas
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Year Ended September 30, 2023

	<u>Confiscated Property</u>	<u>Unclaimed Property</u>	<u>Bicycle Helmet</u>	<u>Total</u>
<u>Additions</u>				
Investment income	\$ 1,889	\$ -	\$ 80	\$ 1,969
Other revenue	14,669	658	270	15,597
Total Additions	<u>16,558</u>	<u>658</u>	<u>350</u>	<u>17,566</u>
 Net Change in Net Position	 16,558	 658	 350	 17,566
 Beginning Net Position	 4,700	 201	 12	 4,913
Ending Net Position	<u>\$ 21,258</u>	<u>\$ 859</u>	<u>\$ 362</u>	<u>\$ 22,479</u>

See Notes to Financial Statements.

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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	170
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	181
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.</i>	
Debt Capacity	200
<i>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.</i>	
Demographic and Economic Information	205
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	208
<i>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.</i>	

City of Lockhart, Texas

NET POSITION BY COMPONENT

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 16,591,140	\$ 16,376,825	\$ 15,001,030	\$ 14,162,688
Restricted	2,123,629	1,211,989	1,093,907	1,141,195
Unrestricted	2,859,520	1,328,814	2,137,425	1,886,148
Total governmental activities net position	<u>\$ 21,574,289</u>	<u>\$ 18,917,628</u>	<u>\$ 18,232,362</u>	<u>\$ 17,190,031</u>
Business-type activities				
Net investment in capital assets	\$ 10,193,932	\$ 15,283,769	\$ 15,074,665	\$ 16,507,663
Restricted	2,924,473	1,023,082	1,071,089	1,163,687
Unrestricted	8,125,881	5,315,836	7,979,875	7,489,601
Total business-type activities net position	<u>\$ 21,244,286</u>	<u>\$ 21,622,687</u>	<u>\$ 24,125,629</u>	<u>\$ 25,160,951</u>
Primary government				
Net investment in capital assets	\$ 26,785,072	\$ 31,660,594	\$ 30,075,695	\$ 30,670,351
Restricted	5,048,102	2,235,071	2,164,996	2,304,882
Unrestricted	10,985,401	6,644,650	10,117,300	9,375,749
	<u>\$ 42,818,575</u>	<u>\$ 40,540,315</u>	<u>\$ 42,357,991</u>	<u>\$ 42,350,982</u>

(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.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 13,774,228	\$ 12,648,711	\$ 12,104,249	\$ 11,816,033	\$ 11,546,567	\$ 17,776,524
1,396,101	1,571,133	1,603,237	3,598,451	3,362,595	6,072,719
<u>1,823,314</u>	<u>1,972,882</u>	<u>3,557,222</u>	<u>3,915,790</u>	<u>7,463,394</u>	<u>7,537,491</u>
<u>\$ 16,993,643</u>	<u>\$ 16,192,726</u>	<u>\$ 17,264,708</u>	<u>\$ 19,330,274</u>	<u>\$ 22,372,556</u>	<u>\$ 31,386,734</u>
\$ 16,961,238	\$ 17,492,757	\$ 16,579,735	\$ 15,721,677	\$ 15,404,957	\$ 19,452,608
1,421,535	1,661,480	2,034,582	2,008,737	2,626,781	5,182,714
<u>8,791,362</u>	<u>9,434,557</u>	<u>8,506,993</u>	<u>6,885,849</u>	<u>6,709,920</u>	<u>7,675,992</u>
<u>\$ 27,174,135</u>	<u>\$ 28,588,794</u>	<u>\$ 27,121,310</u>	<u>\$ 24,616,263</u>	<u>\$ 24,741,658</u>	<u>\$ 32,311,314</u>
\$ 30,735,466	\$ 30,141,468	\$ 28,683,984	\$ 27,537,710	\$ 26,951,524	\$ 37,229,132
2,817,636	3,232,613	3,637,819	5,607,188	5,989,376	11,255,433
<u>10,614,676</u>	<u>11,407,439</u>	<u>12,064,215</u>	<u>10,801,639</u>	<u>14,173,314</u>	<u>15,213,483</u>
<u>\$ 44,167,778</u>	<u>\$ 44,781,520</u>	<u>\$ 44,386,018</u>	<u>\$ 43,946,537</u>	<u>\$ 47,114,214</u>	<u>\$ 63,698,048</u>

City of Lockhart, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2014	2015	2016	2017
Governmental activities				
Expenses				
General government	\$ 2,096,530	\$ 2,476,203	\$ 1,879,383	\$ 2,083,166
Public safety	5,584,295	5,626,336	5,230,470	5,086,371
Public works	2,507,776	2,448,572	2,586,206	2,644,292
Health and welfare	6,091	13,489	17,068	22,137
Culture and recreation	771,470	964,757	933,135	1,006,038
Community development	-	-	-	-
Interest on long-term debt	383,683	612,529	621,121	459,629
Total governmental activities expenses	11,349,845	12,141,886	11,267,383	11,301,633
Program revenues				
Charges for services				
General government	608,232	1,131,977	191,100	181,313
Public safety	1,362,136	1,531,653	330,826	334,769
Public works	-	-	723,832	549,097
Health and welfare	-	-	-	-
Culture and recreation	27,773	28,878	33,926	32,699
Community development	-	-	-	-
Operating grants and contributions	432,581	391,200	615,542	202,393
Capital grants and contributions	103,808	-	-	-
Total program revenues	2,534,530	3,083,708	1,895,226	1,300,271
Total governmental activities net program expense	\$ (8,815,315)	\$ (9,058,178)	\$ (9,372,157)	\$ (10,001,362)
General Revenues and Other Changes in Net Position				
Taxes				
Property taxes, general	2,933,089	2,975,409	3,016,649	3,217,538
Property taxes, debt service	555,028	561,588	687,845	692,161
Sales taxes	1,381,748	1,484,020	1,478,065	1,549,695
Franchise taxes	319,982	325,911	316,353	312,433
Other taxes	93,825	106,712	132,234	96,529
Unrestricted investment earnings	18,355	23,881	59,851	99,353
Gain on sale of capital assets	-	-	-	-
Other revenue	505,461	493,852	239,590	289,291
Transfers	2,595,561	2,356,889	2,448,575	2,896,410
Total general revenues and other changes net position	8,403,049	8,328,262	8,379,162	9,153,410
Total governmental activities change in net position	\$ (412,266)	\$ (729,916)	\$ (992,995)	\$ (847,952)

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 2,045,364	\$ 2,232,343	\$ 2,455,580	\$ 1,931,497	\$ 1,967,143	\$ 2,165,947
5,401,024	5,799,256	5,703,143	6,202,140	6,168,414	6,937,475
3,084,192	3,552,691	3,153,763	2,970,230	2,684,964	2,930,612
16,326	18,250	144,615	26,352	23,439	18,264
1,077,697	1,041,842	1,052,444	683,483	1,215,110	1,481,117
-	-	-	1,189,072	905,103	2,003,675
441,769	415,242	391,300	371,174	390,198	396,858
<u>12,066,372</u>	<u>13,059,624</u>	<u>12,900,845</u>	<u>13,373,948</u>	<u>13,354,371</u>	<u>15,933,948</u>
223,254	601,870	730,384	-	-	-
1,005,749	295,192	355,773	366,887	208,287	248,067
423,575	291,604	358,837	649,986	664,402	688,987
-	-	-	-	-	-
37,991	29,589	8,943	88,883	251,869	163,321
-	-	-	650,521	852,003	2,298,116
566,039	579,539	1,037,366	2,485,671	2,205,060	472,563
278,000	96,263	257,055	177,865	211,854	6,386,889
<u>2,534,608</u>	<u>1,894,057</u>	<u>2,748,358</u>	<u>4,419,813</u>	<u>4,393,475</u>	<u>10,257,943</u>
<u>\$ (9,531,764)</u>	<u>\$ (11,165,567)</u>	<u>\$ (10,152,487)</u>	<u>\$ (8,954,135)</u>	<u>\$ (8,960,896)</u>	<u>\$ (5,676,005)</u>
3,620,758	3,914,885	4,276,918	4,555,926	4,848,005	5,373,699
704,442	697,336	714,253	694,121	953,087	1,740,778
1,650,931	1,767,048	1,992,939	2,143,239	2,392,769	2,712,526
357,278	360,589	349,849	398,205	395,527	352,616
106,756	111,841	102,063	113,504	189,491	230,233
190,320	283,700	119,746	20,739	125,718	893,878
-	-	-	2,110	-	34,000
192,281	184,509	233,319	100,720	213,151	249,470
<u>3,094,654</u>	<u>3,044,742</u>	<u>3,145,528</u>	<u>2,991,137</u>	<u>2,885,430</u>	<u>3,102,983</u>
<u>9,917,420</u>	<u>10,364,650</u>	<u>10,934,615</u>	<u>11,019,701</u>	<u>12,003,178</u>	<u>14,690,183</u>
<u>\$ 385,656</u>	<u>\$ (800,917)</u>	<u>\$ 782,128</u>	<u>\$ 2,065,566</u>	<u>\$ 3,042,282</u>	<u>\$ 9,014,178</u>

City of Lockhart, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2014	2015	2016	2017
Business-type activities				
Expenses				
Electric	\$ 9,725,877	\$ 9,753,464	\$ 8,664,234	\$ 8,722,211
Water	2,685,091	3,258,446	3,257,979	3,545,084
Wastewater	1,936,142	1,849,338	2,089,407	1,824,111
Sanitation	1,077,505	1,166,275	1,215,636	1,345,466
Airport	79,443	82,646	69,911	76,438
EMS	-	-	1,230,254	1,289,014
Total business-type expenses	<u>15,504,058</u>	<u>16,110,169</u>	<u>16,527,421</u>	<u>16,802,324</u>
Program revenues				
Charges for services				
Electric	11,521,734	12,039,498	10,974,720	11,444,388
Water	3,100,358	3,090,312	3,100,239	3,287,603
Wastewater	2,188,454	2,195,102	2,265,298	2,578,386
Sanitation	1,332,323	1,402,428	1,464,121	1,593,359
Airport	69,035	68,520	68,927	71,489
EMS	-	-	2,007,847	1,354,810
Operating grants and contributions	-	11,821	-	7,016
Capital grants and contributions	37,035	-	1,042,796	195,261
Total business-type program revenues	<u>18,248,939</u>	<u>18,807,681</u>	<u>20,923,948</u>	<u>20,532,312</u>
Total business-type activities net program expense	<u>\$ 2,744,881</u>	<u>\$ 2,697,512</u>	<u>\$ 4,396,527</u>	<u>\$ 3,729,988</u>
General revenues and other changes in net position				
Impact fees	218,458	255,462	263,817	83,585
Unrestricted investment earnings	14,881	21,733	61,357	118,159
Other revenue	-	6,858	-	-
Transfers	(2,595,561)	(2,356,889)	(2,448,575)	(2,896,410)
Total general revenues and other changes in net position	<u>(2,362,222)</u>	<u>(2,072,836)</u>	<u>(2,123,401)</u>	<u>(2,694,666)</u>
Total business-type activities change in net position	<u>\$ 382,659</u>	<u>\$ 624,676</u>	<u>\$ 2,273,126</u>	<u>\$ 1,035,322</u>
Total primary government change in net position	<u>\$ (29,607)</u>	<u>\$ (105,240)</u>	<u>\$ 1,280,131</u>	<u>\$ 187,370</u>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 9,132,038	\$ 9,242,068	\$ 8,564,816	\$ 11,350,044	\$ 9,978,485	\$ 10,884,211
3,428,101	3,224,639	3,908,621	5,066,674	5,565,359	6,401,698
1,281,066	1,370,942	1,444,482	1,635,537	1,805,990	1,589,668
1,461,111	1,553,603	1,592,412	1,690,298	1,615,564	1,797,864
100,130	78,258	80,607	76,546	93,143	283,503
1,334,506	1,383,128	1,407,549	1,408,385	1,425,088	1,507,988
<u>16,736,952</u>	<u>16,852,638</u>	<u>16,998,487</u>	<u>21,227,484</u>	<u>20,483,629</u>	<u>22,464,932</u>
12,238,369	12,193,929	11,039,153	11,560,085	12,608,272	13,153,265
3,336,689	3,267,558	3,555,391	3,758,322	4,132,398	5,672,000
2,339,875	2,278,003	2,277,346	2,478,077	2,880,275	3,951,370
1,708,812	1,872,719	1,981,863	2,040,494	1,906,522	1,944,417
71,433	89,059	82,809	85,953	92,532	102,387
1,438,174	978,097	1,071,931	1,136,903	1,414,727	1,780,405
24,925	68,272	44,680	-	-	1,133,983
-	-	23,750	432,657	196,038	4,519,241
<u>21,158,277</u>	<u>20,747,637</u>	<u>20,076,923</u>	<u>21,492,491</u>	<u>23,230,764</u>	<u>32,257,068</u>
\$ 4,421,325	\$ 3,894,999	\$ 3,078,436	\$ 265,007	\$ 2,747,135	\$ 9,792,136
244,561	195,808	296,093	-	-	-
236,101	368,594	164,183	21,947	114,001	841,201
23,598	-	8,552	199,136	149,689	39,302
<u>(3,094,654)</u>	<u>(3,044,742)</u>	<u>(3,145,528)</u>	<u>(2,991,137)</u>	<u>(2,885,430)</u>	<u>(3,102,983)</u>
<u>(2,590,394)</u>	<u>(2,480,340)</u>	<u>(2,676,700)</u>	<u>(2,770,054)</u>	<u>(2,621,740)</u>	<u>(2,222,480)</u>
<u>\$ 1,830,931</u>	<u>\$ 1,414,659</u>	<u>\$ 401,736</u>	<u>\$ (2,505,047)</u>	<u>\$ 125,395</u>	<u>\$ 7,569,656</u>
<u>\$ 2,216,587</u>	<u>\$ 613,742</u>	<u>\$ 1,183,864</u>	<u>\$ (439,481)</u>	<u>\$ 3,167,677</u>	<u>\$ 16,583,834</u>

City of Lockhart, Texas
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund				
Nonspendable				
Prepaid items	\$ 19,116	\$ 23,103	\$ 15,728	\$ 23,642
Inventory	19,327	14,578	13,699	11,272
Restricted	166,141	91,955	-	-
Committed	742,680	602,435	604,252	609,054
Unassigned	2,655,076	3,196,967	3,423,228	3,897,547
Total general fund	<u>\$ 3,602,340</u>	<u>\$ 3,929,038</u>	<u>\$ 4,056,907</u>	<u>\$ 4,541,515</u>
All Other Governmental Funds				
Nonspendable				
Prepaid items	\$ 10,373	\$ 2,673	\$ 4,512	\$ 680
Restricted				
Debt service	429,226	362,919	278,089	285,621
Special revenue funds	690,237	757,115	-	-
General government	-	-	627,417	664,319
Public safety	-	-	180,153	206,068
Municipal court	-	-	-	-
Tourism	-	-	8,248	8,485
Public works	-	-	-	-
Various capital projects	838,025	8,386,106	6,792,536	5,160,201
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 1,967,861</u>	<u>\$ 9,508,813</u>	<u>\$ 7,890,955</u>	<u>\$ 6,325,374</u>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 37,870	\$ 30,627	\$ 27,327	\$ 610,955	\$ 31,193	\$ 24,887
11,563	13,572	9,350	17,718	26,240	1,285,605
-	-	-	234,613	2,671,686	1,628,105
553,877	574,446	308,539	309,050	311,949	330,202
4,451,131	5,103,853	6,673,086	6,506,302	7,838,447	9,138,171
<u>\$ 5,054,441</u>	<u>\$ 5,722,498</u>	<u>\$ 7,018,302</u>	<u>\$ 7,678,638</u>	<u>\$ 10,879,515</u>	<u>\$ 12,406,970</u>
\$ 2,765	\$ -	\$ -	\$ -	\$ -	\$ 10,227
240,674	203,016	115,835	-	-	298,475
-	-	-	-	-	-
35,067	46,502	59,773	63,160	69,453	84,552
227,044	206,600	179,496	18,994	20,649	23,351
-	-	-	118,506	126,794	135,713
2,721	6,637	64,016	98,198	130,191	172,985
903,976	1,073,692	1,063,841	-	-	-
4,531,457	3,437,195	2,914,631	5,857,283	6,962,353	5,866,568
-	(3,523)	(323,955)	(87,431)	(138,743)	(26,966)
<u>\$ 5,943,704</u>	<u>\$ 4,970,119</u>	<u>\$ 4,073,637</u>	<u>\$ 6,068,710</u>	<u>\$ 7,170,697</u>	<u>\$ 6,564,905</u>

City of Lockhart, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2014	2015	2016	2017
Revenues				
Property taxes	\$ 3,488,117	\$ 3,531,590	\$ 3,757,254	\$ 3,971,301
Sales and other taxes	1,795,555	1,916,643	1,921,425	1,990,221
Franchise and local taxes				
Fines, fees and forfeitures	824,213	1,021,043	1,115,233	927,273
Licenses and permits	147,923	288,438	173,641	125,761
Charges for services	1,103,401	1,383,027	-	-
Intergovernmental and grants	381,406	391,200	184,438	202,393
Investment	18,355	23,881	59,851	99,353
Other revenue	502,274	493,852	550,390	288,003
Total revenues	8,261,244	9,049,674	7,762,232	7,604,305
Expenditures				
Current				
General government	1,955,191	1,946,091	1,853,485	1,847,858
Public safety	5,639,925	5,767,328	4,680,022	4,751,069
Public works	1,006,216	930,794	1,069,441	1,168,180
Health and welfare	5,739	11,970	12,138	17,207
Culture and recreation	737,113	880,443	834,815	890,047
Community development	-	-	-	-
Debt service				
Principal retirement	795,796	358,092	855,322	587,160
Interest and fiscal charges	388,222	825,385	566,342	500,948
Paying agent and issue costs	400	132,458	151,889	1,200
Capital outlay	1,334,223	665,475	1,589,287	1,818,019
Total expenditures	11,862,825	11,518,036	11,612,741	11,581,688
Excess (deficiency) of revenues over expenditures	(3,601,581)	(2,468,362)	(3,850,509)	(3,977,383)
Other financing sources (uses)				
Debt issued	-	7,700,735	4,887,402	-
Premium on issuance of bonds	-	278,388	593,157	-
Payment to escrow	-	-	(5,455,484)	-
Gain on sale of capital assets	-	-	-	-
Transfers in	3,143,246	2,958,448	3,451,810	3,440,098
Transfers out	(547,685)	(601,559)	(1,003,235)	(543,688)
Total other financing sources (uses)	2,595,561	10,336,012	2,473,650	2,896,410
Change in fund balances	\$ (1,006,020)	\$ 7,867,650	\$ (1,376,859)	\$ (1,080,973)
Debt service as a percentage of noncapital expenditures	11.90%	10.91%	14.68%	11.64%

2018	2019	2020	2021	2022	2022
\$ 4,352,825	\$ 4,676,453	\$ 5,028,375	\$ 5,274,506	\$ 5,748,229	\$ 7,010,249
2,114,965	2,239,478	2,444,852	2,143,239	2,392,769	2,712,526
			511,709	585,018	582,849
1,227,557	1,127,998	1,190,406	414,578	275,647	236,897
192,622	142,721	243,196	650,521	852,003	2,298,116
-	2,200	2,200	738,869	916,271	852,308
458,624	554,354	866,355	3,061,756	2,379,234	647,533
190,320	283,700	119,746	20,739	125,718	893,878
323,296	275,443	223,199	186,781	235,092	249,470
8,860,209	9,302,347	10,118,329	13,002,698	13,509,981	15,483,826
1,933,687	2,107,937	2,333,952	1,777,924	2,121,509	1,899,022
5,212,519	5,631,506	5,579,302	6,052,616	6,066,612	6,530,409
1,727,405	1,601,001	1,948,586	1,571,151	913,011	2,914,291
11,396	13,320	139,685	20,539	35,312	9,086
949,731	912,739	1,150,716	1,022,863	1,038,803	1,803,531
-	-	-	707,075	955,377	1,933,286
601,470	690,799	727,163	797,305	1,006,761	1,416,609
483,207	456,409	432,504	413,447	393,470	434,928
1,000	800	800	-	25,220	-
828,872	1,238,106	551,827	1,442,886	2,189,333	757,984
11,749,287	12,652,617	12,864,535	13,805,806	14,745,408	17,699,146
(2,889,078)	(3,350,270)	(2,746,206)	(803,108)	(1,235,427)	(2,215,320)
-	-	-	383,923	2,652,861	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	251,942	-	34,000
3,688,600	3,796,267	4,360,894	3,793,615	3,644,993	4,694,559
(593,946)	(751,525)	(1,215,366)	(802,478)	(759,563)	(1,591,576)
3,094,654	3,044,742	3,145,528	3,627,002	5,538,291	3,136,983
\$ 205,576	\$ (305,528)	\$ 399,322	\$ 2,823,894	\$ 4,302,864	\$ 921,663

10.42%

10.23%

10.14%

9.79%

11.15%

12.48%

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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
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
2022	5,702,530	45,699	2,392,769	379,331	160,799	44,888	8,726,016
2023	6,965,985	44,264	2,712,526	352,616	157,865	72,368	10,305,624

City of Lockhart, Texas
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE
Last Ten fiscal years

Fiscal Year	Tax Roll	Real Property		Personal Property	Minerals	Less:	Total Taxable Assessed Value Before Freeze
		Residential Property	Non-Residential Property			Tax Exempt Real Property	
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	500,446,323	515,158,254	59,064,726	21,096	227,088,388	847,602,011
2022	2021	511,111,983	616,467,277	65,657,280	17,930	245,069,989	948,184,481
2023	2022	561,413,032	801,995,634	70,548,270	40,048	208,291,212	1,225,705,772

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 Levy Before Freeze Ceiling	Freeze Ceiling	Estimated Tax Levy Including Freeze Ceiling	Assessed Value as a Percentage of Actual Value
\$ (68,854,298)	\$ 425,679,589	\$ 0.7227	\$ 3,076,386	\$ 431,018	\$ 3,507,404	100.00%
(74,867,624)	421,708,404	0.7227	3,047,687	480,236	3,527,923	100.00%
(73,449,458)	445,394,699	0.7333	3,266,079	466,371	3,732,450	100.00%
(82,590,348)	450,529,640	0.7333	3,303,734	536,304	3,840,038	100.00%
(99,921,193)	510,142,716	0.7260	3,703,636	604,104	4,307,740	100.00%
(102,926,905)	567,791,814	0.7107	4,035,296	593,298	4,628,594	100.00%
(118,099,443)	613,769,738	0.6842	4,199,413	839,333	5,038,746	100.00%
(141,846,213)	705,755,798	0.63540	4,484,372	700,459	5,184,831	100.00%
(160,899,077)	787,285,404	0.63540	5,002,411	763,355	5,765,766	100.00%
(183,911,400)	1,041,794,372	0.6006	6,257,017	813,637	7,070,654	100.00%

City of Lockhart, Texas
DIRECT AND OVERLAPPING PROPERTY TAX RATES
PER \$100 OF ASSESSED VALUE
Last Ten tax years

City Direct Rates				Overlapping Rates					
Tax Year	Debt Service	General Fund	Total	Lockhart ISD	Plum Creek Underground Water	Plum Creek Conservation District	Caldwell County	Farm to Market Rd	Total
2014	\$ 0.115	\$ 0.608	\$ 0.723	\$ 1.187	\$ 0.021	\$ 0.021	\$ 0.691	\$ 0.000	\$ 1.920
2015	0.1150	0.6077	0.7227	1.1795	0.0220	0.0220	0.6906	0.0001	1.9142
2016	0.1150	0.6077	0.7227	1.4291	0.0220	0.0220	0.6905	0.0001	2.1637
2017	0.1366	0.5967	0.7333	1.3305	0.0215	0.0225	0.7174	0.0001	2.0920
2018	0.1300	0.6033	0.7333	1.3324	0.0215	0.0230	0.7752	0.0001	2.1522
2019	0.1183	0.6077	0.7260	1.3324	0.0214	0.0232	0.7752	0.0001	2.1523
2020	0.1076	0.6031	0.7107	1.3324	0.0214	0.0232	0.7752	0.0001	2.1523
2021	0.0980	0.5862	0.6842	1.2624	0.0207	0.0225	0.7430	0.0001	2.0487
2022	0.0833	0.5521	0.6354	1.1297	0.0208	0.0205	0.6718	0.0001	1.8429
2023	0.1212	0.4136	0.5348	0.9569	0.0149	0.0145	0.4691	0.0001	1.4555

SOURCE: Caldwell County Tax Office

City of Lockhart, Texas
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago (Unaudited)

2023		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Wal-Mart Stores Texas	\$ 15,695,010	1.28%
Economy Realty, LTD	11,267,250	0.92%
Iron Ox	11,124,110	0.91%
Stanton XT VRH Holdings	10,865,682	0.89%
Lennar Homes of Texas	9,357,150	0.76%
PHX15 LLC	8,782,319	0.72%
Lockhart DMA Housing LLC	7,400,000	0.60%
Lockhart Village Partners	7,387,406	0.60%
Green Acres Housing LLC	6,646,312	0.54%
Wal-Mart Properties, Inc.	4,934,300	0.40%
	\$ 93,459,539	7.62%

2014		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Wal-Mart Properties, Inc.	\$ 7,514,940	1.52%
Wal-Mart Stores Texas	7,265,600	1.47%
Economy Realty, LTD	7,127,630	1.44%
Dormae Products, Inc	4,547,450	0.92%
Lockhart DMA Housing LLC	4,439,630	0.90%
Pegasus Schools Inc	3,031,370	0.61%
Tri-State Facilities Lockhart, LLC	2,431,050	0.49%
Echostar Broadcasting Corp	2,339,120	0.47%
H E Butt Grocery	2,302,980	0.47%
Henderson Controls, Inc.	1,865,140	0.38%
	\$ 42,864,910	8.67%

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			Total Adjusted Levy	Collections within the Fiscal Year of the Levy	
	(Original Levy)	Adjustments			Amount	Percentage of Levy
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%
2022	5,752,038	(4,250)		5,747,788	5,620,206	97.78%
2023	7,059,211	(20,258)		7,038,953	6,850,466	97.32%

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 year, 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	
\$	70,326	\$ 3,420,401	99.70%	\$ 10,259
	82,348	3,495,289	99.65%	12,410
	75,218	3,695,586	99.66%	12,740
	63,598	3,862,311	99.58%	16,256
	89,527	4,315,537	99.58%	18,177
	62,224	4,577,938	99.51%	22,600
	87,811	4,969,379	99.34%	33,151
	67,418	5,161,902	99.18%	42,533
	44,610	5,664,816	98.56%	82,972
	-	6,850,466	97.32%	188,487

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City of Lockhart, Texas
ELECTRIC PURCHASED AND CONSUMED
Last Ten fiscal years

Fiscal Year						Total Direct Rate			
	KWH		KWH		Average Percent Unbilled	Electric			
	Electric Purchased		Electric Consumed			Base Rate	Usage Rate		
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
2022		124,320,000		111,940,848		12,379,152	10%	23.10	0.0216
2023		126,656,586		117,417,620		9,238,966	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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Electric Rates (per KWH)					
Base Rate	\$ 10.82	\$ 10.82	\$ 11.32	\$ 22.20	\$ 22.60
Electric Usage Rate					
0 - 1,200 kwh	0.02020	0.02020	0.01896	0.01896	0.02156
1,201 +	0.02910	0.02910	0.03250	0.03250	0.03510
+ all kwh	-	-	0.00225	0.00225	0.00225

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

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 23.10	\$ 23.10	\$ 23.10	\$ 23.10	\$ 23.10
0.02156	0.02156	0.02156	0.02156	0.02156
0.03510	0.03510	0.03510	0.03510	0.03510
0.00225	0.00225	0.00225	0.00225	0.00225

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City of Lockhart, Texas
TEN LARGEST ELECTRIC CUSTOMERS
Current Year and Nine Years Ago

2023

Customer	Type of Business	12-Month Electric Consumption per kWh	Percent of Total Billed
MTC/Lockhart Correctional Facility	Service	3,537,680	3.01%
H.E.B. Stores	Retail	2,570,400	2.19%
Lockhart High School	Public School	2,463,000	2.10%
Pure Castings	Manufacturing	2,221,500	1.89%
Arco Murray Construction	Construction	1,695,750	1.44%
G.B.R.A.	Service	1,203,120	1.02%
Bluebonnet Elementary	Public School	994,500	0.85%
Livingood Feeds	Retail	863,700	0.74%
Caldwell County	Government	660,300	0.56%
Dormae/Serta Products	Manufacturing	651,200	0.55%

2014

Customer	Type of Business	12-Month Electric Consumption per kWh	Percent of Total Billed
The GEO Group	Service	4,175,760	4.08%
H.E.B. Stores	Retail	2,701,200	2.64%
Dormae/Serta Products	Production	1,431,000	1.40%
Caldwell County Annex	Government	1,320,900	1.29%
Livingood Feeds	Retail	1,210,200	1.18%
Lockhart High School	Public School	1,036,400	1.01%
G.B.R.A.	Service	1,004,040	0.98%
Pinnacle Health	Healthcare	827,760	0.81%
Bluebonnet Elementary	Public School	633,000	0.62%
DGG Group	Wholesale	579,560	0.57%

Source: City records.

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
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
2022	520	506	14	3%	381
2023	585	550	35	6%	388

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
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
23.60	4.80	15.51	4.67
27.45	4.86	19.18	5.77

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City of Lockhart, Texas
TEN LARGEST WATER CUSTOMERS
Current Year and Nine Years Ago (Unaudited)

2023

Customer	Type of Business	12-Month Water Consumption	Percent of Total Billed
MTC/Lockhart Correctional Facility	Private Public Safety	38,857	8.17%
City of Lockhart Airport	Government	7,194	1.51%
Lockhart Nursing & Rehab	Healthcare	6,822	1.43%
Vintage Springs Residential Community	Housing	5,080	1.07%
Brite & Shiny Carwash	Retail	4,805	1.01%
Federal Housing - The Landing	Government	4,066	0.85%
Caldwell County Annex	Government	4,036	0.85%
Wal-Mart Store	Retail	4,023	0.85%
Watkins Construction	Construction	3,681	0.77%
Tx Lo Silent MHP	Housing	3,638	0.76%

2014

Customer	Type of Business	12-Month Water Consumption	Percent of Total Billed
The GEO Group	Service	61,583	13.14%
Caldwell County Annex	Government	9,698	2.07%
Zachry Construction Company	Construction	9,254	1.98%
Wal-Mart Store	Retail	5,887	1.26%
Pinnacle Health Facility	Healthcare	4,998	1.07%
Federal Housing - The Landing	Government	3,917	0.84%
Lockhart High School Track	Public School	3,845	0.82%
Fairway Properties	Housing	2,668	0.57%
Plum Creek Inn	Hospitality	2,236	0.48%
Lockhart ISD	Public School	2,205	0.47%

City of Lockhart, Texas

WATER AND SEWER RATES

Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Water Rates (per 2,000 gallons)					
Base Rate	\$ 22.10	\$ 22.10	\$ 22.10	\$ 22.10	\$ 22.60
Water Usage Rate					
2,001-6,000	3.90	3.90	3.90	3.90	4.50
6,001-8,000	4.15	4.15	4.15	4.15	4.75
8,001-10,000	4.40	4.40	4.40	4.40	5.00
>10,001	5.15	5.15	5.15	5.15	5.75
Sewer Rates (per 2,000 gallons)					
Base Rate	15.51	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.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 23.10	\$ 23.60	23.60	23.60	25.89
4.80	4.80	4.80	4.80	4.58
5.05	5.05	5.05	5.05	5.73
5.30	5.30	5.30	5.30	6.64
6.05	6.05	6.05	6.05	7.33
15.51	15.51	15.51	15.51	17.92
4.67	4.67	4.67	4.67	5.40

City of Lockhart, Texas
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-type Activities	
	Certificates of Obligation	General Obligation Bonds	Tax Notes	Lease/SBITA Liabilities	Plus: Issuance Premiums	Certificates of Obligation	General Obligation Bonds
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
2022	6,327,225	3,685,870	2,330,000	551,478	466,738	7,397,775	1,239,126
2023	5,944,595	3,120,828	2,025,086	539,443	405,227	6,950,407	1,049,168

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

Business-type Activities							
Lease Liabilities	State Infrastructure Loan	Contractual Obligations	Tax Notes	Plus: Issuance Premiums	Total Primary Government	Percentage of Personal Income	Per Capita
\$ 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
174,964	2,197,114	45,120,000	1,720,000	306,988	71,517,278	18.3%	4,974
100,835	2,021,112	41,955,000	1,494,914	274,728	65,881,343	15.8%	4,396

City of Lockhart, Texas
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding					Debt Service Monies Available	Net Bonded Debt
	Certificates of Obligation	General Obligation Bonds	Tax Notes	Plus: Issuance Premiums	Total		
2014	\$ 7,539,595	\$ 936,771	\$ -	\$ -	\$ 8,476,366	\$ 429,226	\$ 8,047,140
2015	14,875,686	476,031	-	-	15,351,717	362,919	14,988,798
2016	9,381,395	4,887,402	-	-	14,268,797	278,089	13,990,708
2017	8,794,235	4,887,052	-	-	13,681,287	285,621	13,395,666
2018	8,192,765	4,887,052	-	-	13,079,817	240,674	12,839,143
2019	7,707,775	4,681,243	-	-	12,389,018	203,016	12,186,002
2020	7,208,875	4,452,980	-	-	11,661,855	115,835	11,546,020
2021	6,691,415	4,224,718	-	332,340	11,248,473	-	11,248,473
2022	6,327,225	3,685,870	2,330,000	551,478	10,564,573	-	10,564,573
2023	5,944,595	3,120,828	2,025,086	405,227	9,470,650	-	9,470,650

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

Percentage of Actual Taxable Value of Property	Per Capita
1.62%	634
2.89%	1,181
2.62%	1,103
2.20%	1,056
2.10%	922
1.82%	875
1.58%	829
1.33%	782
1.11%	735
0.77%	632

City of Lockhart, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2022 (Unaudited)

	Gross Debt Outstanding		Percentage	Amount
	Date	Amount	Applicable to City	Applicable to City
Direct Debt:				
City of Lockhart	9/30/2023	\$ 12,035,179	100.00%	\$ 12,035,179
Overlapping Debt:				
Caldwell County	9/30/2023	15,270,000	30.08%	4,593,216
Lockhart Independent School District	6/30/2023	128,439,961	45.25%	58,119,082
Total Overlapping Debt		143,709,961		62,712,298
Total		\$ 155,745,140		\$ 74,747,477

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: <https://emma.msrb.org>

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
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%
2022	14,379	391,137,558	27,202	6,465	6.5%
2023	14,985	415,968,615	27,759	6,619	3.5%

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)

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City of Lockhart, Texas

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2023

Employer	Employees	Percentage of Total City Employment
Lockhart ISD	731	3.84%
Walmart	225	1.17%
Serta/Dormae Products	180	0.94%
MTC (Lockhart Correctional)	175	0.92%
H.E.B Food Store	170	0.89%
Pegasus School, Inc	149	0.78%
City of Lockhart	145	0.76%
Iron Ox	100	0.52%
Student Transportation Specialist	85	0.45%
& Rehabilitation Center	80	0.42%
	2,040	10.71%

2014

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

	2014	2015	2016	2017	2018
Function/Program					
General government					
City manager	3.0	3.0	4.0	4.0	5.0
City secretary	1.0	1.0	1.0	1.0	1.0
Finance	5.0	5.0	5.0	5.0	4.0
Municipal court	5.0	5.0	5.0	4.0	4.0
Library	9.0	9.0	10.0	9.0	9.0
Parks and recreation	6.0	7.0	7.0	7.0	7.0
Code enforcement	2.0	2.0	3.0	3.0	3.0
Planning and development	4.0	4.0	4.0	4.0	4.0
Public safety					
Police	25.0	25.0	25.0	28.0	30.0
Communications	10.0	8.0	9.0	9.0	10.0
Fire	19.0	16.0	18.0	15.0	14.0
Public works					
Public works	3.0	3.0	3.0	3.0	2.0
Animal control	6.0	5.0	8.0	8.0	8.0
Garage	3.0	3.0	3.0	3.0	3.0
Streets	10.0	14.0	13.0	12.0	12.0
Electric					
Utility billing	6.0	6.0	6.0	5.0	6.0
Utility distribution	7.0	9.0	9.0	9.0	8.0
Water/wastewater					
Water operations	6.0	5.0	5.0	5.0	5.0
Sewer operations	2.0	2.0	3.0	3.0	4.0
Sanitation					
Operations	1.0	1.0	2.0	2.0	2.0
Recycle					
Economic Development	1.0	2.0	1.0	2.0	2.0
Total	134	135	144	141	143

2019	2020	2021	2022	2023
5.0	5.0	4.0	4.0	4.0
1.0	1.0	1.0	1.0	1.0
5.0	5.0	5.0	5.0	5.0
4.0	4.0	4.0	3.0	3.0
9.0	9.0	6.0	6.0	6.0
8.0	8.0	8.0	9.0	5.0
3.0	3.0	3.0	3.0	3.0
4.0	4.0	4.0	4.0	4.0
29.0	27.0	29.0	31.0	22.0
9.0	9.0	10.0	10.0	7.0
14.0	13.0	13.0	15.0	14.0
2.0	2.0	2.0	2.0	2.0
7.0	6.0	6.0	7.0	6.0
3.0	3.0	4.0	4.0	4.0
12.0	12.0	12.0	12.0	10.0
6.0	6.0	6.0	6.0	6.0
9.0	9.0	9.0	10.0	8.0
6.0	6.0	6.0	5.0	5.0
3.0	3.0	4.0	4.0	2.0
2.0	2.0	2.0	2.0	1.0
		1.0	1.0	1.0
2.0	2.0	2.0	2.0	0.0
143	139	141	146	119

City of Lockhart, Texas
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017
General government				
Building permits issued	681	604	647	495
Building inspections conducted	2,433	1,784	1,613	1,716
Public safety				
Police				
Physical arrests	417	398	628	596
Traffic violations	3,372	1,701	2,149	3,251
Fire				
Fire calls	2,111	1,564	1,386	1,501
Public works				
Streets (miles)	65	65	65	65
Culture and recreation				
Parks and recreation				
Park rental	106	75	91	107
Swimming pool				
Single admissions	5,304	7,529	8,554	8,289
Party rentals	47	35	50	34
Electric				
New connections	18	7	9	11
Average daily consumption (kwh)	282,652	285,401	279,093	287,659
Water and wastewater				
Water				
New connections/taps	149	62	139	56
Average daily consumption	1.31 mgd	1.30 mgd	1.26 mgd	1.18 mgd
Peak daily consumption	2.360 mgd	2.192 mgd	2.075 mgd	2.118 mgd
Wastewater				
Average daily sewage treatment	1.13 mgd	1.32 mgd	1.34 mgd	1.24 mgd
EMS				
Ambulance loads	2,772	2,867	2,989	3,106

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.

2018	2019	2020	2021	2022	2023
444	542	839	1,339	2,296	4,197
2,179	2,282	1,703	2,845	4,959	15,597
934	862	451	469	455	408
5,708	6,281	4,041	4,480	4,091	3,711
1,356	1,406	1,361	1,388	1,652	1,717
65	66	100	124.5	124.5	124.5
73	85	32	58	85	109
6,883	6,596	-	8,279	8,973	4,822
32	33	-	30	46	20
18	23	49	125	616	805
313,552	312,646	307,607	297,326	306,687	321,692
78	61	50	111	144	502
1.32 mgd	1.26 mgd	1.305 mgd	1.296 mgd	1.425 mgd	1.604 mgd
2.263 mgd	2.160 mgd	2.200 mgd	2.500 mgd	2.100 mgd	2.895 mgd
1.09 mgd	1.00 mgd	1.02 mgd	1.13 mgd	1.04 mgd	1.06 mgd
3,207	3,199	3,188	3,479	3,350	3,605

City of Lockhart, Texas
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

	2014	2015	2016	2017
Function/Program				
Public safety				
Police				
Stations	1	1	1	1
Patrol units	22	22	22	26
Fire stations	1	1	1	1
Highways and streets				
Streets (miles)	64.7	64.7	64.7	65.2
Streetlights	1,824	1,825	1,838	1,838
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)	77	77	77	77
Number of distribution stations	1	2	2	2
Capacity sold (MwH)	103,168	104,172	101,869	104,995
Water and wastewater				
Water				
Water mains (miles)	87.4	87.4	87.4	92.1
Fire hydrants	650	660	675	685
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

2018	2019	2020	2021	2022	2023
1	1	1	1	1	1
28	29	26	31	31	31
1	2	2	2	2	2
65.2	65.9	100.0	124.5	124.5	124.5
1,844	1,856	1,856	1,856	1,872	1,872
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
80	80	80	82	82	82
2	2	2	2	2	2
114,447	114,116	112,276	107,243	111,941	117,418
92.1	93.7	100.0	100.5	100.5	105.8
700	729	721	721	721	877
1.05 mgd	1.05 mgd	1.05 mgd	1.55 mgd	1.55 mgd	1.55 mgd
78	79	80.6	80.8	80.8	85.8
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 19, 2024

AGENDA ITEM CAPTION: Discuss 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).

ORIGINATING DEPARTMENT AND CONTACT: Fire - Randy Jenkins

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: 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 make any needed amendments before the upcoming severe weather season.

The current emergency warning system includes both outdoor and indoor warning methods.

Outdoor Warning Sirens consisting of five (5) electro-mechanical rotating sirens strategically located throughout the city. The sirens are tested on 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 phone (call or text), and computers (Email), to include automated weather warnings from the National Weather Service (NWS).

Due to the age of the Outdoor Warning Sirens (2016), an upgrade to the server and software has been completed in 2024. A second manual activation control point was also added at dispatch. An upgrade to the battery chargers and batteries on three of the sites is also in progress.

Outdoor Warning Sirens were activated once by staff on October 26, 2023, at 8:13 a.m. due to a tornado spotted on the ground by the Caldwell Co. Sheriff's Office and a Tornado Warning in Caldwell County issued by the NWS.

The City of Lockhart currently has 13,062 contacts in WarnCentralTexas.org.

PROJECT SCHEDULE (if applicable): N/A

AMOUNT & SOURCE OF FUNDING:

Funds Required:

City of Lockhart, Texas

Council Agenda Item Cover Sheet

Account Number:

Funds Available:

Account Name:

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: Emergency Warning Guidelines were adopted by Resolution 2019-14 on July 2, 2019.

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: No changes to warning policies are recommended.

LIST OF SUPPORTING DOCUMENTS: Res 2019-14 adopting siren activation guidelines, Warning Siren Map with New Location, Tornado Warning 10-26-23 at 0806

RESOLUTION NO. 2019-14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOCKHART ADOPTING EMERGENCY MANAGEMENT STANDARD OPERATION GUIDELINES FOR THE CITY OF LOCKHART OUTDOOR WARNING SIRENS AND FOR A REGIONAL NOTIFICATION SYSTEM

WHEREAS, the City of Lockhart maintains a “Lockhart Hazardous Weather Early Warning System” policy that specifies types of siren signals for particular hazardous weather events and identifies officers who are authorized to activate the early warning system; and

WHEREAS, it is the desire of the City Council of Lockhart to implement a comprehensive emergency warning system that addresses both the City’s outdoor warning sirens and a regional notification system, providing for indoor warnings, summaries of purpose, definitions, operation procedures, chemical emergencies, and which addresses testing, operation, maintenance, and public education concerning the system;

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 current “Lockhart Hazardous Weather Early Warning System” policy is hereby amended and replaced by the following:
 - (a) “Emergency Management Standard Operating Guideline” for Outdoor Warning Sirens, number 2.1, attached hereto and Exhibit “A”; and
 - (b) “Emergency Management Standard Operating Guideline” for Regional Notification System,” number 2.2, attached hereto as Exhibit “B.”
3. Exhibits “A” and “B” are adopted and incorporated herein for all purposes, effective as of the date of this Resolution.

APPROVED AND ADOPTED on this, the 2th day of July, 2019.



ATTEST:



Connie Constancio, City Secretary

CITY OF LOCKHART



Lew White, Mayor

Approved as to form:



Monte Akers, City Attorney

EXHIBIT "A"



EMERGENCY MANAGEMENT STANDARD OPERATING GUIDELINE

TITLE: OUTDOOR WARNING SIRENS
NUMBER: 2.1
EFFECTIVE: July 2, 2019

Section 1 Purpose

1. The purpose of this procedure is to develop guidelines for the activation, testing and maintenance of the City of Lockhart "Outdoor Warning Sirens".

Section 2 Definitions

1. **Outdoor Warning Sirens (OWS):** Five electro-mechanical rotating sirens strategically located throughout the City of Lockhart to warn citizens outdoor of severe weather and chemical emergencies. See attached map for locations.
2. **Steady Tone:** Audible sound which will rise to its peak and maintain its full strength without declining for three minutes. The sound will have a natural increase and decrease due to the rotation of the siren head.
3. **Primary Activation Point:** Lockhart 9-1-1 Communication Center.
4. **National Weather Service (NWS):** Agency of the United States federal government that is tasked with providing weather forecasts, hazardous weather warnings to organizations and the public for the purposes of protection, safety, and general information.

Section 3 Siren Activation

Outdoor Warning Sirens may be activated for the following conditions in Lockhart:

1. Severe Weather (Steady Tone)

- The National Weather Service (NWS) issues a Tornado Warning.
- The National Weather Service (NWS) issues a Severe Thunderstorm Warning and indicates the potential for destructive winds of 70 mph or greater.
- Observed hail of 1.50" in diameter (ping pong ball) or greater.
- Any observed weather condition, which is judged to be hazardous to people and early warning would potentially save lives.

- A. All sirens will be activated for severe weather. Tornadoes, straight line winds, hail and other weather conditions will be confirmed by the NWS, storm spotters, police and fire supervisors or EOC staff before sirens are activated.
- B. On-duty Fire or Police supervisors will notify the 9-1-1 Communication Center or EOC if activated, with severe weather conditions and are authorized to activate the sirens by the 9-1-1 Communication Center for the above-mentioned weather conditions.
- C. The 9-1-1 Communications Center must have authorization to activate the Outdoor Warning sirens for any emergency.
- D. Designated public officials who are authorized to activate the Outdoor Warning Sirens include;
 - Police Chief or supervisor in charge
 - Fire Chief or supervisor in charge
 - Emergency Management Coordinator (EMC)
 - City Manager
- E. All calls from public about severe weather will be confirmed before activation of the sirens.
- F. Information on severe weather conditions will be passed on to the National Weather Service (NWS) by telephone (**800-292-5508**), Twitter (**@#eWXspotter**) or NWS Chat so warning can be issued if necessary.
- G. Notifications of severe weather may be received from:
 - a) National Weather Service (NWS) may issue warnings of severe weather in area; via telephone, telex, NWS Chat, NOAA weather radio, Regional Notification System (RNS), or television.
 - b) Police officers, firefighters or EOC staff will notify 9-1-1 Communication Center of severe weather in the city.
 - c) Members of community

2. Chemical Emergencies (Steady Tone)

- Railroad Accidents
- Fixed Facilities
- Explosives
- Radiological Accidents

- A. All sirens will be activated for a chemical emergency. Fire Department Incident Commander, Police Supervisor or EMC will determine when necessary to activate sirens for a chemical emergency.
- B. Reports of chemical emergencies from members of the public will be confirmed before activation of Outdoor Warning Sirens.
- C. Information on type of emergency, location, and action required must be distributed to the public for chemical emergencies. Public warning methods include; Regional Notification System (RNS), Social Media, and door to door.

Section 4 Monthly Testing

- 1. Sirens will be tested monthly on the first Monday at 1 PM by the 9-1-1 Communication Center. Sirens will be manually activated by the 911 dispatcher.
- 2. All sirens will be activated using the Severe Weather “Steady Tone” for three minutes.
- 3. Information about the monthly test will be posted on social media the day of the test and information about the Outdoor Warning Sirens will be posted on city’s website for review by public.
- 4. The Outdoor Warning Sirens will not be tested if the weather is threatening on the day of the test or a large event is planned for Lockhart. The 9-1-1 Communications Supervisor will make the final determination after reviewing the weather forecast, current weather conditions, and planned events.

Section 5 Operations / Maintenance

- 1. Lockhart Police Department will be responsible for the operation and maintenance of the Outdoor Warning Sirens.
- 2. Sirens will be monitored and activated from the Lockhart 9-1-1 Communication Center.
- 3. All malfunctions or alarms will be reported to the Lockhart Police Chief or his designee for investigation and repair.
- 4. An annual maintenance and repair contract will be maintained by the city.

Section 6 Locations

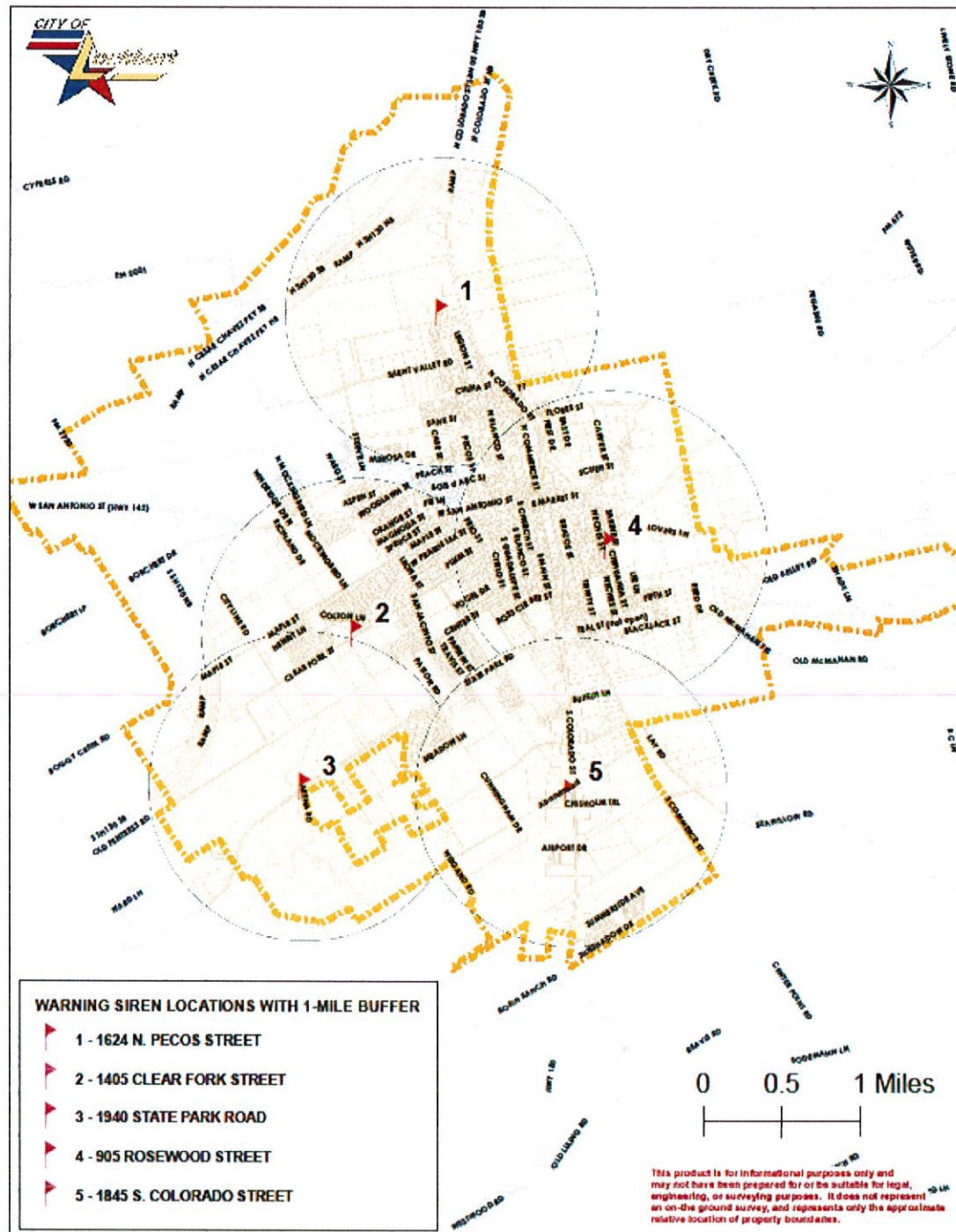


EXHIBIT "B"



EMERGENCY MANAGEMENT STANDARD OPERATING GUIDELINE

TITLE: REGIONAL NOTIFICATION SYSTEM
NUMBER: 2.2
EFFECTIVE: July 2, 2019

Section 1 Purpose

1. The purpose of this procedure is to develop guidelines for the use and maintenance of the City of Lockhart "Regional Notification System" (RNS).

Section 2 Definitions

1. **WarnCentralTexas.org** –The Capital Area Council of Governments (CAPCOG) uses a Regional Notification System (RNS) as a crucial public-safety tool. The web-based tool is available to users throughout the CAPCOG region to alert the public to emergency and non-emergency situations. It's an effective tool for notifying a relatively large number of people in a short period of time.
2. Messages may include content such as incident-specific information, recommended protective actions or response directives. They can be delivered to various devices that accept voice, Email or SMS text content and to alpha or numeric pagers.
3. The message sender identifies recipients, develops the message and determines which types of devices receive the message. Regional partners which use RNS can send voice messages to landline phones using CAPCOG's 9-1-1 database. However, residents and visitors to the CAPCOG region must register their cell phone numbers and Email addresses to receive notifications on mobile devices or computers.
4. In addition to alerts sent by local jurisdictions, residents may choose to receive automated warnings for tornados, severe thunderstorms or flash flooding, from the National Weather Service (NWS).

Section 3 Operation / Procedures

1. The following designated public safety officials are authorized to develop, approve, and/or initiate an emergency message;
 - Police Chief or supervisor in charge
 - Fire Chief or supervisor in charge
 - Emergency Management Coordinator (EMC)
 - City Manager

2. Each of the personnel above will have the authority to create emergency messages for the public. The message, area to send message, and time to send message will be given to 9-1-1 Communications to create the message.
3. The **Regional Notification System (RNS)** may be activated for the following types of emergency situations;
 - Boil-Water Notices
 - Missing Person / Child
 - Evacuation / Shelter-in-Place Notices
 - Natural Hazards (Wildfires, etc.)
 - Chemical Spills / Gas Leaks
 - Utility Outages
 - Major Traffic Disruptions
 - Criminal Alert
 - Other situations as approved by authorized public safety officials
 - Automated weather warnings from the National Weather Service (NWS) for Tornado, Flooding, Winter Storm, and Severe Thunderstorms
4. The pre-recorded phone message should include a description of the situation and any instructions for residents to take. Locations for additional information such as city website may be included in messages.
5. Additional notification systems may be used in connection with the RNS to distribute emergency information to the public. These systems include;
 - Outdoor Warning Sirens
 - Social Networking Sites (*Facebook, Twitter*)
 - Press Releases
 - City Cable Channel
 - City Website
6. The 9-1-1 Communications Center may also maintain city call out lists as provided by each department. Example: Management / EOC Team, Utilities call list, etc. Each department is responsible for updating the list and forwarding any changes to 9-1-1 Communications.
7. Emergency and non-emergency informational messages for staff may be delivered through the Regional Notification System (RNS).

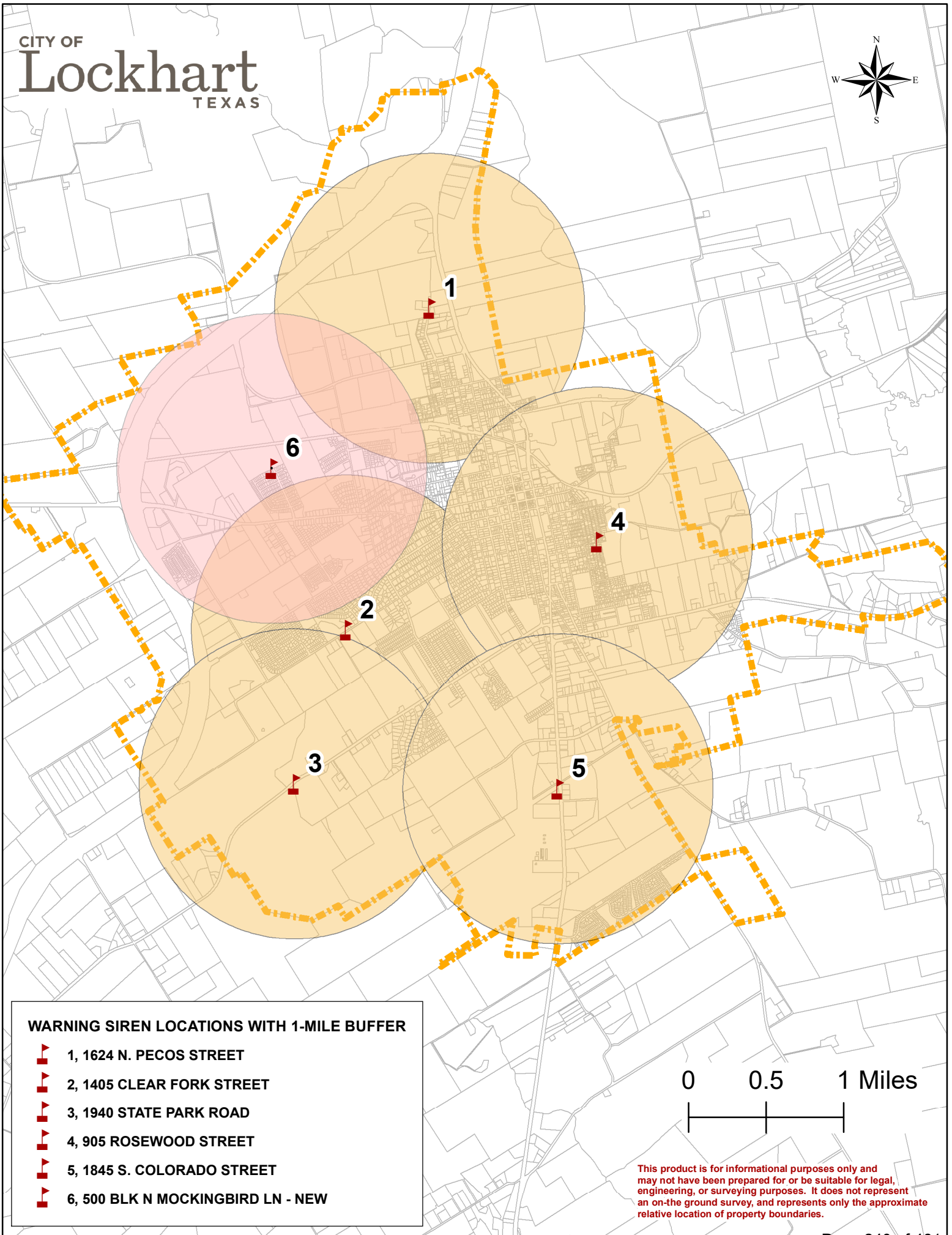
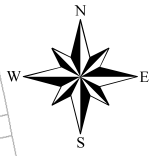
Section 4 Testing / Maintenance

1. An RNS test message will be sent to a pre-determined number of city staff to test the system on the same date the Outdoor Warning Sirens are tested monthly. The 9-1-1 Communication Center will initiate the test message.
2. The 9-1-1 Communications Supervisor or on-duty Police supervisor will be the point of contact for the RNS system, to include operational issues, department call list, and emergency messages.

Section 5 RNS Marketing

1. The City of Lockhart will encourage citizens to enroll in the Regional Notification System (RNS) through newsletters, Social Media (Facebook, Twitter), city website, flyers at community events, and through public education in schools, etc.





WARNING SIREN LOCATIONS WITH 1-MILE BUFFER

-  1, 1624 N. PECOS STREET
-  2, 1405 CLEAR FORK STREET
-  3, 1940 STATE PARK ROAD
-  4, 905 ROSEWOOD STREET
-  5, 1845 S. COLORADO STREET
-  6, 500 BLK N MOCKINGBIRD LN - NEW

0 0.5 1 Miles

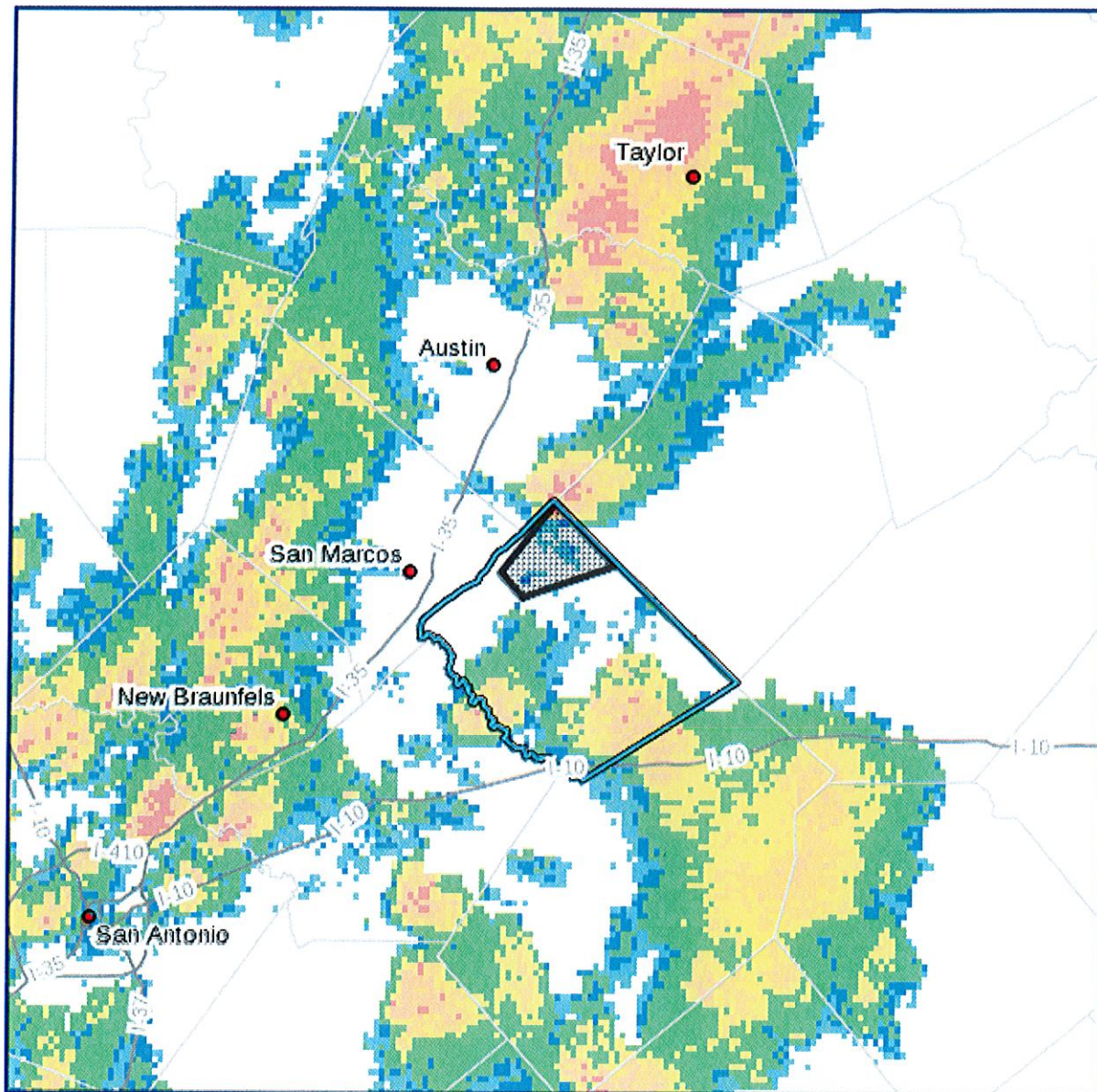
This product is for informational purposes only and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the ground survey, and represents only the approximate relative location of property boundaries.



Interactive NWS Alert

New event: Tornado Warning for Caldwell County, TX

Sent via email and SMS at 806 am CDT, Oct 26th 2023



Radar valid at 830 am CDT, Oct 26th 2023



TXC055-261330-
/O.NEW.KEWX.TO.W.0015.231026T1306Z-231026T1330Z/

BULLETIN - EAS ACTIVATION REQUESTED
Tornado Warning
National Weather Service Austin/San Antonio TX
806 AM CDT Thu Oct 26 2023

The National Weather Service in Austin San Antonio has issued a

* Tornado Warning for...

North central Caldwell County in south central Texas...

* Until 830 AM CDT.

* At 806 AM CDT, a severe thunderstorm capable of producing a tornado was located near Niederwald, or near Lockhart, moving northeast at 20 mph.

HAZARD...Tornado.

SOURCE...Radar indicated rotation.

IMPACT...Flying debris will be dangerous to those caught without shelter. Mobile homes will be damaged or destroyed. Damage to roofs, windows, and vehicles will occur. Tree damage is likely.

* Locations impacted include...

Mustang Ridge, Niederwald, St John Colony, Lytton Springs, and Mendoza.

PRECAUTIONARY/PREPAREDNESS ACTIONS...

TAKE COVER NOW! Move to a basement or an interior room on the lowest floor of a sturdy building. Avoid windows. If you are outdoors, in a mobile home, or in a vehicle, move to the closest substantial shelter and protect yourself from flying debris.

Torrential rainfall is occurring with this storm, and may lead to flash flooding. Do not drive your vehicle through flooded roadways.

&&

LAT...LON 2992 9771 2996 9775 3007 9765 2997 9754

TIME...MOT...LOC 1306Z 231DEG 15KT 2996 9770

TORNADO...RADAR INDICATED

MAX HAIL SIZE...<.75 IN

iNWS is an experimental service intended for NWS core partners, including emergency managers, community leaders and other government agencies only.

**REGULAR MEETING
LOCKHART CITY COUNCIL**

MARCH 21, 2023

6:30 P.M.

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

Council present:

Councilmember John Castillo
Councilmember Juan Mendoza
Councilmember Jeffry Michelson

Mayor Lew White
Councilmember Brad Westmoreland
Councilmember Kara McGregor
Mayor Pro-Tem Angie Gonzales-Sanchez

Staff present:

Steve Lewis, City Manager
David Fowler, Planning Director
Julie Bowermon, Civil Service/HR Director
Travis Hughes, Parks Director

Monte Akers, City Attorney
Sean Kelley, Public Works Director
Pam Larison, Finance Director
Gary Williamson, appointed Police Chief

Citizens/Visitors Addressing the Council: Mike Brooks of Brooks Watson & Company; James Jimenez of Halff Associates; Eric Landrum of Lockhart Hangar Partners, LLC; Citizens: Catarina Gonzales, Caroline Kiefer, Christine Ohlendorf, Ronda Reagan, Marcia Proctor and Richard Mendez.

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. DISCUSSION REGARDING THE CITY OF LOCKHART AND CALDWELL COUNTY INTERLOCAL AGREEMENT FOR THE FARMERS' MARKET.

Mr. Akers stated that at the City Council meeting on March 7, 2023, representatives of the new sponsors of the Lockhart Farmers Market, the "Farmers and Artisans Market of Lockhart, " informed the Council of their intent to abide by the terms of the interlocal agreement (ILA) between the City and Caldwell County regarding the market. At that time, it was anticipated that a new ILA would be needed, and staff was directed to prepare one for Council consideration. Subsequently, communications with the sponsors and examination of the original ILA revealed that the former sponsors have relinquished the Market's non-profit status, but that the wording of the ILA references only "the sponsors" of the Market without identifying them by name. Accordingly, whereas the new sponsors will need to obtain non-profit status and comply with other terms of the ILA, they can step into the shoes of the former sponsors and a new ILA or an amendment is not needed at this time. There was discussion.

B. DISCUSS THE PRELIMINARY BUDGET AND TAX CALENDAR FOR FISCAL YEAR 2022-2023 2023-2024.

Ms. Larison stated that this document is the preliminary budget and tax calendar for the fiscal year 2023-2024. 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 2023-2024. There was discussion.

C. PRESENTATION OF THE CITY OF LOCKHART AND THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION'S FISCAL YEAR 2021-22 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ANNUAL FINANCIAL AUDIT) BY BROOKSWATSON & COMPANY, PLLC., AN INDEPENDENT PUBLIC ACCOUNTING FIRM.

Ms. Larison stated that 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 second 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.

Mike Brooks of BrooksWatson & Company provided information about the findings of the City of Lockhart's financial audit. He stated that BrooksWatson & Company, PLLC issued an unmodified audit (clean) opinion. An unmodified opinion is presumed to be free from material misstatements and fairly represents its financial results, financial position, and cash flows. There was discussion.

D. DISCUSSION REGARDING AN APPEAL BY CAROLINE KEIFER-BELL, ON BEHALF OF ROBERT MENDEZ, TO THE HISTORICAL PRESERVATION COMMISSION'S DENIAL OF CFA-23-04, AN APPLICATION FOR A CERTIFICATE FOR ALTERATION TO ALLOW AN EXISTING, TEMPORARY MURAL, ORIGINALLY APPROVED THROUGH APPLICATION CFA-22-14, TO BECOME PERMANENT WITHIN THE COURTHOUSE SQUARE HISTORIC DISTRICT ON PART OF LOT 3, BLOCK 14, ORIGINAL TOWN OF LOCKHART, ZONED CCB, COMMERCIAL CENTRAL BUSINESS DISTRICT AND LOCATED AT 200 EAST MARKET STREET

Mr. Fowler stated that on October 5, 2022, the Planning and Zoning Commission granted a Certificate for Alteration for a mural that was requested in conjunction with the Texas Monthly Barbecue Festival, to be held in November, 2022. At the time of the request, the Historical Preservation Commission had recently recommended revisions to Chapter 28, Historic Districts and Landmarks, Chapter 46, Sign Ordinance, that when combined would prohibit new murals within the Courthouse Square Historic District. Knowing that there was a strong possibility that City Council would adopt the Commission's recommendations (which it did on October 18, 2022), Texas Monthly and the building owner requested the approval be granted for a period of 90 days, after which the mural would be covered matching the paint color of the rest of the wall on which it had been painted. The Historic Commission granted the CFA for the temporary mural, which was completed during the Barbecue Festival. As the deadline to remove the mural approached, building owners and the applicant contacted the City regarding the possibility of making the mural permanent. After city staff had initially directed the applicant to apply for a variance, the City Attorney issued a legal opinion that the Historic Commission should hear the request as a Certificate for Alteration application. On February 15, 2023, the Historic Preservation Commission heard the request

and voted to issue a denial on the basis that the Sign Ordinance prohibits murals within the Historic District. City staff had also informed the Commission of their option to revise the original certificate for Alteration to make the terms of the approval permanent. The Commission did not exercise this option, instead voting to deny the request, knowing that the applicant would likely file an appeal. The Historic Preservation Commission meeting was well-attended, with many attendees in support of the mural remaining in place. The applicant filed an appeal to the Commission's denial within the required 30-day period. Mayor requested any member of the public wishing to speak on this item to come forward during the during the regular meeting section of tonight's meeting.

E. DISCUSS ORDINANCE 2023-06 AMENDING SECTION II, SUBSECTION 2-1 OF THE CITY'S PERSONNEL POLICIES MANUAL TO PROVIDE FOR A RESIDENCY REQUIREMENT FOR CERTAIN CITY EMPLOYEES INVOLVED IN PUBLIC HEALTH AND SAFETY SERVICES DURING EMERGENCIES.

Ms. Bowermon stated that in 2012, the City adopted Ordinance 2012-08 regarding a response time from residence for certain employees. Requiring a response time from a residence is permitted by law, however requiring employees to reside within the City limits is not. Since 2012, technology and communications have improved, enabling some management positions to respond to situations and direct employees efficiently without being within a 25-minute response time. These positions are not the first responding staff members on a scene. Proposed Ordinance 2023-06 removes those positions from the 25-minute response time. This will provide greater latitude in the recruiting of qualified employees for management positions while still maintaining a high level of service to the community during emergencies. Ms. Bowermon recommended approval. There was discussion.

F. DISCUSS CONFIRMATION OF THE CITY MANAGER'S APPOINTMENT OF MR. GARY WILLIAMSON AS LOCKHART POLICE CHIEF.

Mr. Lewis stated that following the retirement of Police Chief Ernest Pedraza, the City received 21 applications from candidates interested in serving as the next Lockhart Police Chief. Of these 21 applicants, 5 semi-finalists participated in a structured interview panel lead by the consulting firm, Public Safety Solutions. Two finalists were then invited to participate in a community meet and greet event, as well as an opportunity for City Councilmembers to engage with the finalists. To fill the position of Police Chief, the City Charter requires that the City Council confirm the City Manager's appointment of a Police Chief. Based upon the results of the structured interview panel, interview with the City Manager, input from the community, stakeholders, and employees, Mr. Williamson is wholeheartedly recommended for this position. It is anticipated that Mr. Williamson will assume his new position as Lockhart Police Chief on April 10, 2023.

Mr. Gary Williamson introduced himself to the Lockhart City Council, staff and the public. He expressed his appreciation of being selected to work as Police Chief for the City of Lockhart.

G. DISCUSS RESOLUTION 2023-03, SETTING A DATE FOR THE PUBLIC HEARING REGARDING THE 2023 WATER/WASTEWATER AND ROADS IMPACT FEE REPORTS, INCLUDING LAND USE ASSUMPTIONS, CAPITAL PROJECTS, AND FEE ADJUSTMENTS.

Mr. Fowler stated that this resolution would schedule a public hearing to potentially adopt the final reports for road and water/wastewater impact fee updates. The previous update of the City's impact fees was adopted in April 2017. The draft impact fee updates have been reviewed by City staff and the Impact Fee Advisory Committee. Under the new calculations, road impact fees would increase from \$1,304 per vehicle mile for roads to \$1,501 in service area 1 and \$1,806 in service area 2. Water and wastewater fees

would be a total of \$10,035 per living unit equivalent, up from their current combined total of \$3,045.94. Upon adoption of the resolution, public notice of the public hearing would be advertised in the Lockhart Post-Register and on the City website. Copies of the two reports will be available for review on the city website, and a physical copy of each report will be available for review at City Hall. The resolution schedules the hearing for May 2nd, with adoption possible either on that date or the following meeting without needing to advertise for a new hearing. Mr. Fowler recommended approval.

H. DISCUSS CONTRACTING WITH SKYHAWKS SPORTS ACADEMY TO PROVIDE YOUTH SPORTS CAMPS THIS SUMMER.

Mr. Hughes stated that Skyhawks is the nation's largest provider of youth sports programs. This summer will be the first opportunity for Skyhawks Sports Academy to provide programs in Lockhart and will serve as a trial run for potentially offering year-round sports programs. Staff proposes to conduct six 1-week camps from 9am to 3pm beginning June 5th, that would include swimming. These would take place at City Park. Skyhawks will provide marketing, registration, staffing, and all equipment. The City of Lockhart will provide access to facilities and assist with marketing on the city website and social media. At the end of the summer program, Skyhawks will provide the City of Lockhart with a check for 20% of registration revenue. Skyhawks currently conducts camps and classes in several central Texas cities including Kyle, Pflugerville, Lakeway, New Braunfels, Austin and San Antonio. Mr. Hughes recommended approval. There was discussion.

I. DISCUSSION REGARDING THE FIRST TWO WORK AUTHORIZATIONS FOR HALFF ASSOCIATES UNDER THE MASTER GENERAL SERVICES AGREEMENT TO RENOVATE THE CITY PARKS.

Mr. Hughes stated that Halff Associates has been contracted to provide general services for the Parks & Recreation Department to renovate the city parks and assist with ongoing projects. The two work authorizations being presented provide for the specific scope of work and associated fees as follows: A. work authorization #1 -provides scope of work for the update of our Open Space Master Plan. B. work authorization #2 -provides scope of work for current projects that include splash pad amenities, skatepark repairs, and aquatics facility project guidance/support. Mr. Hughes recommended approval.

James Jimenez of Halff Associates provided information about the services that the firm will conduct for the city.

There was discussion.

J. DISCUSS RESOLUTION 2023-04 TERMINATING THE HANGAR GROUND LEASE AGREEMENT DATED FEBRUARY 3, 2021 BETWEEN THE CITY OF LOCKHART, TEXAS AND LOCKHART HANGAR PARTNERS, LLC.

Mr. Kelley stated that On February 3, 2021, the City of Lockhart entered a ground lease agreement with Lockhart Hangar Partners, LLC for land at the Lockhart Municipal Airport for purposes of constructing hangars and other aviation related improvements 12 months of the City's approval of plans for such construction. Plans for the hangar improvements were submitted and were approved by the City's Engineer on November 22, 2021. As of November 22, 2022, Lockhart Hangar Partners failed to commence or complete the construction of the hangars within 12 months of the approved plans, therefore putting Lockhart Hangar Partners, LLC in default of the agreement. Lockhart Hangar Partners, LLC was provided 30 days written notice on January, 2023, allowing it to remedy the default. However, the Partners failed to construct or take the steps necessary to cure the default of the agreement.

Eric Landrum of Lockhart Hangar Partners, LLC provided information about the current schedule to abide by the lease agreement. He stated that they request to revamp construction plans or to generate a new lease. There was discussion.

RECESS: Mayor White announced that the Council would recess for a break at 7:30 p.m.

REGULAR MEETING

ITEM 1. CALL TO ORDER.

Mayor Lew White called the meeting to order at 7:45 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 about issues that are not on the agenda. There were none.

ITEM 4. HOLD A PUBLIC HEARING AND DISCUSSION AND/OR ACTION ON AN APPEAL TO THE PLANNING AND ZONING COMMISSION'S DENIAL OF APPLICATION SUP-23-03 BY CATARINA GONZALES ON BEHALF OF MARTIN ESPINOZA FOR A SPECIFIC USE PERMIT TO ALLOW A MANUFACTURED HOME ON LOT 3, BLOCK 1, EAST SIDE, ZONED RMD RESIDENTIAL MEDIUM DENSITY DISTRICT AND LOCATED AT 405 NECHES STREET.

Mayor White opened the public hearing at 7:48 p.m. He requested the staff background report.

Mr. Fowler stated that the Planning and Zoning Commission denied a request for a Specific Use Permit for a manufactured home at 405 Neches Street on February 8, 2023. This denial was issued despite city staff finding the application in compliance with City requirements and no neighborhood opposition to the proposed manufactured home being communicated. Staff did not receive any letters supporting the application, nor did any members of the public speak in favor of the application at the public hearing. In issuing their denial, the Commission stated that manufactured homes have a history of depreciation in comparison to site-built single-family homes. Furthermore, Commissioners stated that new manufactured homes would not be compatible with new site-built single-family home construction that has recently become more common on the city's east side. The applicant expressed disappointment with the denial, stating that city staff had not received any letters of opposition from surrounding residents, also noting that many of the neighboring residents are relatives of the applicant. As the applicant felt aggrieved by the Commission's action, she filed an appeal within the required 10-day period. As the appeal is a public hearing before City Council, notice of the hearing was sent to all residents within 200 feet of the subject property and a notification was published in the March 8, 2023 edition of the Lockhart Post-Register. City staff has not received any letters or phone calls stating opposition to or support of the proposed Manufactured Home SUP. Specific Use Permits (SUP) are submitted for review by the Planning and Zoning Commission. Uses allowed with an SUP are generally those that have been determined to require an additional level of approval or scrutiny due to being perceived as possibly being incompatible with other uses in the zoning district or nearby residential or institutional uses. In Lockhart, SUP cases are

reviewed at a public hearing at the Planning and Zoning Commission, which renders the decision regarding the proposed use meeting the required standards and being compatible with nearby uses.

The following grounds for denial are listed in Section 64-127 (6) c. of the Code of Ordinances:

1. The proposed development or use does not conform with the applicable regulations and standards established in this chapter;
2. The proposed development or use fails to conform with the objectives and the purpose of the zoning district where it is located;
3. The proposed development or use potentially creates greater unfavorable effect or impacts on other existing uses on abutting sites that those which reasonably may result from the use of the site allowed by right;
4. A written protest is received from the owners of at least 30 percent of the land area within 200 feet of the subject property; or
5. The proposed development is contrary to the public health, safety, or general welfare.

The applicant can appeal the Commission's decision if they believe they have been aggrieved by the Commission's action.

Mr. Fowler stated that the Planning and Zoning Commission voted to deny the request for a manufactured home on the subject site by a vote of 4-2 with one member abstaining at their meeting held February 8, 2023.

Mayor White requested the applicant to address the Council.

Catarina Gonzales, 407 Neches, requested approval to allow a manufactured home on the property. She stated that she would like to install a manufactured home at 407 Neches to reside in while she remodels the house at 405 Neches.

Mayor White closed the public hearing at 8:00 p.m. Mayor White requested discussion or citizens to address the Council. There were none.

Councilmember Mendoza made a motion to approve SUP 23-03, as presented. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 7-0.

ITEM 5-E. DISCUSSION AND/OR ACTION REGARDING CONFIRMATION OF THE CITY MANAGER'S APPOINTMENT OF MR. GARY WILLIAMSON AS LOCKHART POLICE CHIEF.

Councilmember Michelson made a motion to confirm the City Manager's appointment of Mr. Gary Williamson as Lockhart Police Chief. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

ITEM 5-A. DISCUSSION AND/OR ACTION TO CONSIDER AN APPEAL BY CAROLINE KEIFER-BELL, ON BEHALF OF ROBERT MENDEZ, TO THE HISTORICAL PRESERVATION COMMISSION'S DENIAL OF CFA-23-04, AN APPLICATION FOR A CERTIFICATE FOR ALTERATION TO ALLOW AN EXISTING, TEMPORARY MURAL, ORIGINALLY APPROVED THROUGH APPLICATION CFA-22-14, TO BECOME PERMANENT WITHIN THE COURTHOUSE SQUARE HISTORIC DISTRICT ON PART OF LOT 3, BLOCK 14, ORIGINAL TOWN OF LOCKHART, ZONED CCB, COMMERCIAL CENTRAL BUSINESS DISTRICT AND LOCATED AT 200 EAST MARKET STREET.

Mayor White requested the following to address the Council:

Caroline Kiefer, 200 E. Market, stated that she believed that the mural is now a part of history that should be protected and preserved. She requested that the prohibition of murals in the downtown district are reconsidered to allow some murals.

Christine Ohlendorf, member of the Lockhart Historical Preservation Commission (LHPC), clarified that the mural was painted on the building prior to adoption of the ordinance prohibiting murals in the downtown district. She stated that the LHPC was informed that the building owner had plans to paint over the mural during the initial approval process. She stated that the LHPC is not against art and that they do their best to work with the community.

Ronda Reagan, 412 West San Antonio Street and member of the Lockhart Historical Preservation Commission (LHPC) stated that the LHPC members follow the guidelines that were adopted by the Council. The initial application by Coca Cola for the mural was for 90 days and the application indicated that the mural would be painted over after 90 days. Murals can be put on buildings in the city limits, just not in the historic district.

Marica Proctor, 515 South Main, stated that the LHPC was informed that the building owner had plans to paint over the mural after 90 days. During the application process, it was suggested that the mural be painted on a canvass, but the applicant wanted paint directly onto the building.

Richard Mendez, 200 East Market, requested that the mural remain on the building. He stated that he would make sure that the mural is touched up. He stated that he initially did not want the mural on the building yet now he believes that the mural expresses welcoming wishes to visitors. He asked about why the mural on the building of the State Farm offices was allowed especially since it is in the historic district.

Mayor White requested additional citizens to address the Council. There were none.

There was discussion.

Mayor White made a motion to modify the certificate for alteration and make the mural permanent. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 6-1, with Councilmember McGregor opposing.

ITEM 5-B. DISCUSSION AND/OR ACTION TO CONSIDER THE PRELIMINARY BUDGET AND TAX CALENDAR FOR FISCAL YEAR 2022-2023 2023-2024.

Councilmember McGregor made a motion to approve the preliminary budget and tax calendar for Fiscal Year 2023-2024. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 7-0.

ITEM 5-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 2021-22 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ANNUAL FINANCIAL AUDIT) BY BROOKSWATSON & COMPANY, PLLC., AN INDEPENDENT PUBLIC ACCOUNTING FIRM.

Mayor Pro-Tem Sanchez made a motion to accept the City of Lockhart and the Lockhart Economic Development Corporation's Fiscal Year 2021-2022 Annual Comprehensive Finance Report. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 5-D. DISCUSSION AND/OR ACTION TO CONSIDER ORDINANCE 2023-06 AMENDING SECTION II, SUBSECTION 2-1 OF THE CITY'S PERSONNEL POLICIES MANUAL TO PROVIDE FOR A RESIDENCY REQUIREMENT FOR CERTAIN CITY EMPLOYEES INVOLVED IN PUBLIC HEALTH AND SAFETY SERVICES DURING EMERGENCIES.

Councilmember McGregor made a motion to approve Ordinance 2023-06, as presented. Councilmember Mendoza seconded. The motion passed by a vote of 6-1 with Mayor Pro-Tem Sanchez opposing.

ITEM 5-F. DISCUSSION AND/OR ACTION TO CONSIDER RESOLUTION 2023-03, SETTING A DATE FOR THE PUBLIC HEARING REGARDING THE 2023 WATER/WASTEWATER AND ROADS IMPACT FEE REPORTS, INCLUDING LAND USE ASSUMPTIONS, CAPITAL PROJECTS, AND FEE ADJUSTMENTS.

Mayor Pro-Tem Sanchez made a motion to approve Resolution 2023-03, as presented. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 5-G. DISCUSSION AND/OR ACTION TO CONSIDER CONTRACTING WITH SKYHAWKS SPORTS ACADEMY TO PROVIDE YOUTH SPORTS CAMPS THIS SUMMER.

Councilmember Michelson made a motion to approve contracting with Skyhawks Sports Academy to provide youth sports camps this summer. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 5-H. DISCUSSION AND/OR ACTION REGARDING THE FIRST TWO WORK AUTHORIZATIONS FOR HALFF ASSOCIATES UNDER THE MASTER GENERAL SERVICES AGREEMENT TO RENOVATE THE CITY PARKS.

There was discussion.

Councilmember McGregor made a motion to approve the first two work authorizations for Halff Associates under the master general services agreement to renovate the city parks, as presented. Councilmember Michelson seconded. The motion passed by a vote of 7-0.

ITEM 5-I. DISCUSSION AND/OR ACTION TO CONSIDER RESOLUTION 2023-04 TERMINATING THE HANGAR GROUND LEASE AGREEMENT DATED FEBRUARY 3, 2021 BETWEEN THE CITY OF LOCKHART, TEXAS AND LOCKHART HANGAR PARTNERS, LLC.

Mayor White stated that the item would be deferred to the Executive Session item.

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

- 2023 Sidewalk Projects - construction update.
- KidFish event has been postponed to Saturday, March 25th at 9:00 a.m. at City Park.
- Citywide Spring Clean Up Program on Saturday, March 25, 2023.
- Cemetery Spring Cleanup will take place March 28 -29, 2023.
- Household Hazardous Waste Collection Event will be held Saturday, April 1, 2023 (rain or shine) for Lockhart residents.
- Site preparation underway for the new Maple Street park splashpad.
- Update on Dell Children's Kids in Cars program for car seats being conducted in cooperation with the Lockhart Fire Department.
- Comprehensive plan update concerning the consultant selection process.
- Update on building permit application trends.
- Update concerning the deployment of updated body-worn cameras in the Police Department.

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

Councilmember Mendoza congratulated Alicia Contreras for participating in the Golden Glove State match. He announced that the Little League would hold their grand opening day on Saturday.

Mayor Pro-Tem Sanchez expressed condolences to families that have recently lost a loved one. She expressed best wishes to the Hispanic Chamber for a successful annual banquet this weekend.

Councilmember McGregor thanked citizens for attending the Council meeting to express their opinions.

Councilmember Castillo expressed condolences to families that have lost a loved one. He wished the Little League the best of luck for a successful baseball season.

Mayor White thanked citizens for attending the Council to express their opinions. He invited everyone to the KidFish event this weekend.

EXECUTIVE SESSIONS: Mayor White announced that the Council would enter Executive Session to discuss two items as listed below at 8:55 p.m.

ITEM 8. 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. Discussion regarding economic development negotiations with project titan.

ITEM 9. 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 PENDING OR CONTEMPLATED LITIGATION; SETTLEMENT OFFER; OR LEGAL MATTERS SUBJECT TO ATTORNEY/CLIENT PRIVILEGE. Seek legal advice from City Attorney regarding terminating the Hangar Ground Lease Agreement dated February 3, 2021 between the City of Lockhart, Texas and Lockhart Hangar Partners, LLC.

ITEM 10. OPEN SESSION.

Mayor White announced that the Council would enter Open Session at 9:30 p.m.

ITEM 10-A. DISCUSSION AND/OR ACTION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS WITH PROJECT TITAN.

Mayor Pro-Tem Sanchez made a motion to authorize the City Manager to negotiate a 380 agreement with the prospect as discussed in Executive Session. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

ITEM 10-B. DISCUSSION AND/OR ACTION REGARDING TERMINATING THE HANGAR GROUND LEASE AGREEMENT DATED FEBRUARY 3, 2021 BETWEEN THE CITY OF LOCKHART, TEXAS AND LOCKHART HANGAR PARTNERS, LLC.

Councilmember McGregor made a motion to terminate the Hangar Ground Lease Agreement dated February 3, 2021 between the City of Lockhart, Texas and Lockhart Hangar Partners, LLC. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 7-0.

Mayor White made a motion to approve Resolution 2023-04 terminating the Hangar Ground Lease Agreement dated February 3, 2021 between the City of Lockhart, Texas and Lockhart Hangar Partners, LLC. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

ITEM 11. 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 9:35 p.m.

PASSED and APPROVED this the 19th day of March, 2024.

CITY OF LOCKHART

Lew White, Mayor

ATTEST:

Julie Bowermon
City Secretary

**REGULAR MEETING
LOCKHART CITY COUNCIL**

APRIL 4, 2023

6:30 P.M.

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

Council present:

Councilmember John Castillo
Councilmember Juan Mendoza
Councilmember Jeffry Michelson

Mayor Lew White
Councilmember Brad Westmoreland
Councilmember Kara McGregor
Mayor Pro-Tem Angie Gonzales-Sanchez

Staff present:

Steve Lewis, City Manager
Sean Kelley, Public Works Director
Randy Jenkins, Fire Chief
Tina Ramsey, Victim Services Coordinator

Patty Akers, City Attorney
Julie Bowermon, Civil Service/HR Director
David Fowler, Planning Director

Citizens/Visitors Addressing the Council: Representatives of the Hays-Caldwell Women's Center; Melissa Reese of Texas Monthly.

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 2023 AS CHILD ABUSE AND SEXUAL ASSAULT AWARENESS & PREVENTION MONTH.

Mayor White presented the proclamations to Representatives of the Hays-Caldwell Women's Center.

B. DISCUSS CITY COUNCIL MINUTES OF THE FEBRUARY 7, 2023 MEETING.

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

C. DISCUSS RESOLUTION 2023-05 AUTHORIZING THE CITY MANAGER TO ENTER AN AMENDED ADVANCE FUNDING AGREEMENT (AFA) WITH THE TEXAS DEPARTMENT OF TRANSPORTATION (TXDOT) FOR THE REPLACEMENT OR REHABILITATION OF THE NORTH BLANCO STREET BRIDGE OVER TOWN BRANCH CREEK.

Mr. Kelley stated that on June 7, 2022, City Council approved Resolution 2022-25, entering the original AFA with TxDOT for the bridge replacement. On November 15, 2022, staff brought Resolution 2022-39 amending the cost of the City's match from \$5,500 to \$6,100 due to rising material costs. TxDOT recently informed the City that the total cost of the bridge replacement would now be covered under the Infrastructure Investment and Jobs Act (IIJA) as well as the Highway Bridge Replacement and Rehabilitation Program (HBRRP), waiving the required local match. Making this project 100% Federally funded. Once TxDOT receives the fully executed amended AFA, a refund will be issued for the previous payment of the local match. This project is still slated for design and replacement in FY2026. City staff and TxDOT will continue to monitor and inspect the bridge until the time of its replacement. Mr. Kelley recommended approval. There was discussion.

D. DISCUSS THE PROPOSED TEXAS MONTHLY 2023 BBQ WORLD'S FAIR EVENT SPONSORSHIP AGREEMENT FOR THE NOVEMBER 4-5, 2023 TEXAS MONTHLY BBQ WORLD'S FAIR EVENT.

Mr. Kelley stated that since 2009, Texas Monthly BBQ Fest has brought together BBQ enthusiasts. In 2022, Texas Monthly held its first BBQ World's Fair in the BBQ Capital of Texas. Last year's event was very successful, and Texas Monthly is seeking to bring the event back to Lockhart for its second year.

This event is slated for November 4-5, 2023, to be held on the Historic Courthouse Square and City Park. Texas Monthly will provide planning, production, staffing, event lineup, marketing, ticketing services and sponsorships. Other notable details in the agreement include:

- Single event contract for the 2023 event
- City to contribute \$25,000 of in-kind support (permit assistance, street closures, police and fire responders staff, secure shuttle parking area and event locations)
- \$20,000 monetary sponsorship for digital promotion and \$8,700 payment for (1) full page brand ad in Texas Monthly Magazine
- City logo to be placed on promotional signage
- Minimum general liability insurance requirements

Texas Monthly has been actively working with staff since last year's event so that the 2023 event takes into consideration operational improvements that were noted during the 2022. Texas Monthly has representatives to answer any questions regarding the 2023 Event Sponsorship Agreement.

Melissa Reese of Texas Monthly provided information and there was discussion about various tasks and events to change or improve for the BBQ event in 2023.

E. DISCUSS ORDINANCE NO. 2023-07 TO PROVIDE A NATURAL GAS FRANCHISE TO UNIVERSAL GAS COMPANY.

Ms. Akers stated that Universal Gas Co. has requested a franchise to authorize it to provide natural gas services in the City utilizing public rights-of-way. Universal currently does not have any facilities in the City, and will probably come down W. San Antonio St. (SH 142) in order to serve Ranch Road Development—Hansford, and Red Oak Development—Lockhart 89, as well as development currently proposed in the City's ETJ. The franchise agreement ordinance is consistent with the terms of the gas franchise previously issued by the City to Texas Gas and provides for a term of 15 years, a franchise fee to the City of 5% of Universal's gross receipts payable each January and July, and relocation at the company's expense if needed for City public work projects. There was discussion.

F. DISCUSS THE SALE OF ENGINE 2, A 1994 PIERCE PUMPER BY PUBLIC AUCTION.

Chief Jenkins stated that staff seeks Council consideration to sell the 29-year old 1994 Pierce Pumper (Engine 2) which has exceeded its service life due to its age, operational reliability, and lack of safety features to protect firefighters and citizens. Engine 2 is currently located at Fire Station No. 2 and has not been in service since the purchase of a new fire pumper (Engine 1) in Fall 2021. The National Fire Protection Association (NFPA) 1901 Standard for Automotive Fire Apparatus (2016 version), Annex D recommends, as best practice, to remove fire pumpers from all service after 25 years of service. Engine 2 must be removed from Fire Station #2 to make room for the new aerial apparatus ordered from Metro Fire Apparatus Specialists, Inc. due for delivery in the spring of 2024. The new aerial apparatus will be housed at Fire Station #2. Rescue 1 and Engine 4 are also housed at Fire Station No. 2 and Engine 4 serves as the primary reserve pumper for Fire Station Nos. 1 and 2. Fire Station #1 houses Engine 1 and

Brush 1. Chief Jenkins stated that staff recommends disposing of Engine 2 (1994 Pierce) by using a public auction to attract potential buyers. There was discussion.

G. DISCUSS A LEGISLATIVE UPDATE BY THE CITY ATTORNEY'S OFFICE REGARDING THE 88TH TEXAS LEGISLATIVE SESSION.

Ms. Akers stated that during this Legislative session, over 8,100 bills and joint resolutions were filed, breaking the record for most bills filed in a session. The update provided information and there was discussion about bills that are most impactful to cities.

RECESS: Mayor White announced that the Council would recess for a break at 7:30 p.m.

REGULAR MEETING

ITEM 1. CALL TO ORDER.

Mayor Lew White called the meeting to order at 7:47 p.m.

ITEM 2. INVOCATION, PLEDGE OF ALLEGIANCE.

Mayor Pro-Tem Sanchez 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. There were none.

ITEM 4. CONSENT AGENDA

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

The following are the consent agenda items that were approved:

- A. Approve City Council minutes of the February 7, 2023 meeting.
- B. Approve Resolution 2023-05 authorizing the City Manager to enter an amended Advance Funding Agreement (AFA) with the Texas Department of Transportation (TxDOT) for the replacement or rehabilitation of the North Blanco Street Bridge over Town Branch Creek.

ITEM 5-A. DISCUSSION AND/OR ACTION REGARDING THE PROPOSED TEXAS MONTHLY 2023 BBQ WORLD'S FAIR EVENT SPONSORSHIP AGREEMENT FOR THE NOVEMBER 4-5, 2023 TEXAS MONTHLY BBQ WORLD'S FAIR EVENT.

Mayor Pro-Tem Sanchez made a motion to approve the Agreement with Texas Monthly for the 2023 BBQ World's Fair event. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

ITEM 5-B. CONSIDER AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 2023-07 TO PROVIDE A NATURAL GAS FRANCHISE TO UNIVERSAL GAS COMPANY.

Councilmember Michelson made a motion to approve Ordinance 2023-07, as presented. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 5-C. DISCUSSION AND/OR ACTION TO CONSIDER THE SALE OF ENGINE 2, A 1994 PIERCE PUMPER BY PUBLIC AUCTION.

Mayor Pro-Tem Sanchez made a motion to approve the sale of Engine 2, A 1994 Pierce Pumper by public auction, as presented. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 5-D. DISCUSSION AND/OR ACTION TO CONSIDER A LEGISLATIVE UPDATE BY THE CITY ATTORNEY'S OFFICE REGARDING THE 88TH TEXAS LEGISLATIVE SESSION.

Mayor White stated that the update was given during the work session.

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

- Update on coordination with TxDOT regarding a feasibility study for future SH 142 improvements.
- Swearing In Ceremony and reception for new Police Chief will be held on April 10, 2023 at 5:30 p.m. in the Council Chambers.

7. COUNCIL AND STAFF COMMENTS - ITEMS OF COMMUNITY INTEREST

Councilmember Westmoreland thanked the street sweeper for keeping the streets clean. He reminded citizens about the requirement of blowing debris out of the street after mowing your yard.

Councilmember Mendoza wished everyone a Happy Easter and encouraged everyone to be safe.

Mayor Pro-Tem Sanchez expressed condolences to families that have recently lost a loved one. She congratulated the Hispanic Chamber for a successful annual banquet. She thanked the Hispanic Chamber for honoring her as the recipient of an award. She congratulated the Lockhart Education Foundation for the successful *50 Lions Who Can Cook* event. She also congratulated Downtown Association for a successful Sip-n-Stroll event.

Councilmember McGregor reminded everyone about First Friday and she wished everyone a Happy Easter.

Councilmember Castillo expressed condolences to families that have recently lost a loved one. He congratulated the Lockhart Education Foundation for successful event and he thanked all for participating in community events. He thanked staff for their work.

Councilmember Michelson congratulated the Downtown Association for successful Sip-n-Stroll event. He congratulated the Lockhart Education Foundation for a successful *50 Lions Who Can Cook* event.

Mayor White expressed appreciation for the successful events the past few weeks. He thanked the Lockhart Education Foundation for their successful event. He expressed condolences to families that have lost a loved one.

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. Seek advice from the City Attorney regarding City authority and options in regard to development in the City's ETJ.

Mayor White announced that the Council would enter Executive Session at 8:05 p.m.

9. OPEN SESSION

Mayor White announced that the Council would enter Open Session at 9:00 p.m.

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 9:02 p.m.

PASSED and APPROVED this the 19th day of March, 2024.

CITY OF LOCKHART

Lew White, Mayor

ATTEST:

Julie Bowermon
City Secretary

**REGULAR MEETING
LOCKHART CITY COUNCIL**

APRIL 18, 2023

6:30 P.M.

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

Council present:

Councilmember John Castillo
Councilmember Juan Mendoza
Councilmember Jeffry Michelson

Mayor Lew White
Councilmember Brad Westmoreland
Councilmember Kara McGregor
Mayor Pro-Tem Angie Gonzales-Sanchez

Staff present:

Steve Lewis, City Manager
David Fowler, Planning Director
Julie Bowermon, Civil Service/HR Director
Mike Kamerlander, Interim Economic Development Director
Travis Hughes, Parks Director

Monte Akers, City Attorney
Sean Kelley, Public Works Director
Pam Larison, Finance Director
Gary Williamson, Police Chief

Citizens/Visitors Addressing the Council: Caitlin Admire of Freese and Nichols; Will Wachel of TRC Engineering; Brian Baitin of Titan Lockhart Land Investors; James Hemenes of Halff; Luke Caraway of Viewpoint Engineering; Mark Estrada, Lockhart Independent School District Superintendent; and, Dr. John Turner.

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, SECTION 551.087, TO DELIBERATE OR 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.

Mayor White announced that the Council would enter Executive Session at 6:35 p.m. to discuss the following:

- A. Discussion regarding economic development negotiations with Project Apple Pie.
- B. Discussion regarding economic development negotiations with Project Titan.

OPEN SESSION

Mayor White announced that the Council would go into Open Session at 6:50 p.m. and he reconvened the meeting.

A. Discussion regarding economic development negotiations with Project Apple Pie.

Mayor Pro-Tem Sanchez made a motion to authorize the City Manager to negotiate incentives with the prospect Apple Pie, as discussed in the closed session. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

B. Discussion regarding economic development negotiations with Project Titan.

Mayor White stated that the item would be voted on during the regular meeting.

Work Session resumed.

B. DISCUSS AMENDED AND RENEWAL OF INTERLOCAL AGREEMENT WITH PLUM CREEK WATER PARTNERSHIP AND AUTHORIZING THE CITY MANAGER TO SIGN THE DOCUMENT IF APPROVED.

Mr. Kelley stated that the Plum Creek Partnership was created in 2006 and was established to restore and protect the waters of the Plum Creek. In 2011, the City along with the other governmental agencies and utilities entered into an Interlocal Agreement regarding the partnership, which was renewed January 1, 2018. The Amended and Renewal Interlocal Agreement establishes the primary responsibilities and tasks of the Plum Creek Watershed Coordinator, found on Attachments A & B. The agreement also sets forth the annual financial commitment for each entity based on population and square miles. The City's annual commitment is \$2,686. The term of the agreement is for (1) year and will automatically renew each year.

C. DISCUSS A PROFESSIONAL SERVICES CONTRACT WITH FREESE AND NICHOLS FOR DEVELOPMENT OF A COMPREHENSIVE PLAN UPDATE.

Mr. Fowler stated that on January 10, 2023, City Planning staff issued a Request for Qualifications (RFQ) for Comprehensive Planning Services, specifying a deadline date for submissions of February 10. The city received 5 submissions in response to the RFQ. From the submissions, three finalists were selected, with in-person interviews occurring on March 22, 2023. From the interviews, Freese and Nichols emerged as the staff's choice to provide planning services. The City Attorney has reviewed the provided contract materials. Under the terms of the contract, the planning process is scheduled to last for 18 months. Several meetings and events will be held as part of the planning process, including a kick-off meeting, five meetings of a comprehensive plan advisory committee, 10 smaller stakeholder meetings or community presentations, and three larger community events. As part of the process, two update briefings to City Council would be provided, as well as adoption meetings with the Planning and Zoning Commission and City Council. During the plan process Freese and Nichols will create and maintain a Comprehensive Plan website that will have interactive elements in both English and Spanish. Based on the scope of services to be provided, Freese and Nichols is requesting \$231,032 for completion of the specified services. \$100,000 has been allocated for the current fiscal year, while \$131,032 would need to be allocated for the plan in the upcoming budget for the 2024 fiscal year.

Caitlin Admire of Freese and Nichols provided information about the firm's plan to conduct the Comprehensive Plan update. There was discussion.

D. DISCUSS A CHAPTER 380 INCENTIVE AGREEMENT WITH TITAN LOCKHART LAND INVESTORS, LLC.

Mr. Kamerlander stated that Titan is currently under contract for 31.485 acres for \$2.89 million in LEDC's Industrial Park 3. During Titan's due diligence period on the property unexpected additional costs were determined by the company. To incentivize this closing and to ensure a development of a new speculative building, the Chapter 380 agreement before City Council provides a 50% rebate of road impact fees up

\$326,000 and require an investment in a building and the property to be at least \$16 million. The taxes realized by the City for this new industrial development would be approximately \$100,000 per year not including whatever personal property would go into the building which would be added by the, at this moment unidentified, tenant. Titan must submit plans for a site permit within 180 days after closing and complete construction and obtain a certificate of occupancy within 18 months from a building permit issued by the City of Lockhart.

Brian Baitin of Titan Lockhart Land Investors provided information about the progress on the construction and the progress of the development.

E. DISCUSS ENTERING A PROFESSIONAL SERVICES AGREEMENT WITH TRC REGARDING THE DEVELOPMENT OF A WATER/WASTEWATER MASTER PLAN.

Mr. Kelley stated that during the Growth Planning Workshops, projected growth trends, regulatory agency triggers/ milestones, and utility capacities were discussed. An outcome of the meeting was the recommendation to engage and develop a Water and Wastewater Master Plan to keep up with the growing demand of the water and wastewater utility systems.

The Water and Wastewater Master Plan will evaluate the existing water and wastewater system conditions. The plan is a forward-looking study that aims to anticipate system constraints by addressing and removing them prior to occurrence. The scope of work for the Master Plan includes:

- Distribution System Water Modeling and Evaluation of the Potable Water System (Review existing data/ infrastructure, filling gaps in data, peak/average/minimum demands, WTP, storage capacities, pressure planes, flow patterns and future flow projections)
- Collection System Modeling and Evaluation of Wastewater System (Review existing data/infrastructure, survey flows/ evaluations/ pipe diameters, evaluated rain data collected, lift stations, WWTPs)
- Progress Meeting and Presentation to City Council, Planning and Zoning Commission, and staff

Mr. Kelley stated that the Master Plan will also create a companion Capital Improvement Plan Document that will address the timing, milestone horizons and probable costs for improvements that will be necessary. This document will aid staff in budgeting and planning capital improvements.

Will Wachel of TRC Engineering provided details about the aspects that the firm will focus on to generate a water/wastewater master plan to accommodate the city's needs.

There was discussion.

F. DISCUSS THE MID-YEAR FINANCIAL REPORT FOR FISCAL YEAR 2023.

Ms. Larison 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 the 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 Financial Officers of America (GFOA). She provided detailed information of the Mid-Year Finance Report for Fiscal Year 2023. There was discussion.

G. DISCUSS THE 2ND QUARTER INVESTMENT REPORT FOR FISCAL YEAR 2022-23.

Ms. Larison stated that the Public Funds Investment Act requires local governments to review and accept

Quarterly Investment Reports for each quarterly reporting period of the year. She provided details about the 2nd Quarter for Fiscal Year 2023, ending March 31, 2023.

H. DISCUSS ORDINANCE 2023-08 VACATING AND ABANDONING APPROXIMATELY 0.112 ACRES OF UNUSED PUBLIC RIGHT-OF-WAY CONSISTING OF AN ALLEY RANGING FROM 7 TO 12 FEET IN WIDTH EXTENDING SOUTHWARD FROM THE 200 BLOCK OF WEST OLIVE STREET AND A 10-FOOT WIDE ALLEY EXTENDING WESTWARD FROM THE SOUTHERN TERMINUS OF THE SOUTHWARD ALLEY TOWARDS THE 800 BLOCK OF NORTH BLANCO STREET.

Mr. Fowler stated that the owners of neighboring properties have petitioned the City to release the alley connecting North Blanco Street to West Olive Street. The property owners have expressed interest in platting their properties to include their share of the alley area and fencing the property lines to reflect the portions of the property that they would acquire. The alley is not paved, and none of the subject right-of-way has been used for any purpose by the City, and it is not anticipated that it will be needed in the future. If the alley is abandoned, a deed or deeds will be created, through which abutting residents would each obtain half of the right-of-way, to the center of the alley. There was discussion.

I. DISCUSS A WORK AUTHORIZATION FOR HALFF ASSOCIATES, UNDER THE MASTER GENERAL SERVICES AGREEMENT, TO RENOVATE LIONS PARK.

Mr. Hughes stated that Halff Associates has been contracted to provide General Services for the Parks & Recreation Department to renovate the city parks and assist with ongoing projects. The third Work Authorization provides for the scope of work to renovate Lions Park. He stated that the firm's name has changed from Halff Associates to Halff. He provided details about the renovation of the Lions Park and stated that they would be delicate with the historic Brock Cabin during the renovation.

James Hemenes of Halff stated that the renovation could take approximately four months and he provided a brief detail about the project timeline. There was discussion.

RECESS: Mayor White announced that the Council would recess for a break at 7:45 p.m.

REGULAR MEETING

ITEM 1. CALL TO ORDER.

Mayor Lew White called the meeting to order at 8:07 p.m.

ITEM 2. INVOCATION, PLEDGE OF ALLEGIANCE.

Councilmember Mendoza 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. There were none.

ITEM 4-A. POSTPONE PUBLIC HEARING REGARDING APPLICATION ZC-23-03 BY MONTE J. GUIDRY REQUESTING A ZONING CHANGE FROM CHB COMMERCIAL HEAVY BUSINESS DISTRICT TO TO RMD RESIDENTIAL MEDIUM DENSITY DISTRICT

ON A TOTAL OF 0.205 ACRES IN THE BYRD LOCKHART LEAGUE, ABSTRACT NO. 17, LOCATED AT 1013 NORTH COLORADO STREET (US 183) UNTIL MAY 16, 2023 AT 7:30 PM.

Mayor White announced that the public hearing would be postponed until May 16, 2023.

ITEM 6-F. DISCUSSION AND/OR ACTION TO CONSIDER ADOPTION OF ORDINANCE 2023-08 VACATING AND ABANDONING APPROXIMATELY 0.112 ACRES OF UNUSED PUBLIC RIGHT-OF-WAY CONSISTING OF AN ALLEY RANGING FROM 7 TO 12 FEET IN WIDTH EXTENDING SOUTHWARD FROM THE 200 BLOCK OF WEST OLIVE STREET AND A 10-FOOT WIDE ALLEY EXTENDING WESTWARD FROM THE SOUTHERN TERMINUS OF THE SOUTHWARD ALLEY TOWARDS THE 800 BLOCK OF NORTH BLANCO STREET.

Mayor Pro-Tem Sanchez made a motion to approve Ordinance 2023-08, as presented. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

ITEM 5-A. CONSENT AGENDA - APPROVE AMENDED AND RENEWAL OF INTERLOCAL AGREEMENT WITH PLUM CREEK WATER PARTNERSHIP AND AUTHORIZING THE CITY MANAGER TO SIGN THE DOCUMENT IF APPROVED.

Councilmember Michelson made a motion to approve the Amended and Renewal of Interlocal Agreement with Plum Creek Water Partnership, as presented. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 6-A. PRESENTATION AND CONSIDERATION OF A PROFESSIONAL SERVICES CONTRACT WITH FREESE AND NICHOLS FOR DEVELOPMENT OF A COMPREHENSIVE PLAN UPDATE.

Mayor Pro-Tem Sanchez made a motion to approve the Professional Services Contract with Freese and Nichols, as presented. Councilmember Castillo seconded. The motion passed by a vote of 7-0.

ITEM 6-B. DISCUSSION AND/OR ACTION REGARDING A CHAPTER 380 INCENTIVE AGREEMENT WITH TITAN LOCKHART LAND INVESTORS, LLC.

Councilmember McGregor made a motion to approve a Chapter 380 Incentive Agreement with Titan Lockhart Land Investors, LLC, as discussed. Councilmember Castillo seconded. The motion passed by a vote of 7-0.

ITEM 6-C. DISCUSSION AND/OR ACTION TO CONSIDER ENTERING A PROFESSIONAL SERVICES AGREEMENT WITH TRC REGARDING THE DEVELOPMENT OF A WATER/WASTEWATER MASTER PLAN.

Councilmember Michelson made a motion to approve a Professional Services Agreement with TRC for the development of a water/wastewater master plan, as presented. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 6-D. DISCUSSION AND CONSIDERATION OF THE MID-YEAR FINANCIAL REPORT FOR FISCAL YEAR 2023.

Mayor Pro-Tem Sanchez made a motion to approve the Mid-Year Financial Report for Fiscal Year 2023, as presented. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 6-E. DISCUSSION AND CONSIDERATION OF THE 2ND QUARTER INVESTMENT REPORT FOR FISCAL YEAR 2022-23.

Mayor Pro-Tem Sanchez made a motion to approve the 2nd Quarter Investment Report for Fiscal Year 2022-2023, as presented. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 6-G. DISCUSSION AND/OR ACTION REGARDING A WORK AUTHORIZATION FOR HALFF ASSOCIATES, UNDER THE MASTER GENERAL SERVICES AGREEMENT, TO RENOVATE LIONS PARK.

Councilmember Michelson made a motion to approve a work authorization for Halff under the Master General Services Agreement to renovate the Lions Park, as presented. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 6-H. PRESENTATION BY RED OAK DEVELOPMENT AND DISCUSSION REGARDING A PROPOSED MASTER-PLANNED COMMUNITY OF APPROXIMATELY 500 ACRES NEAR THE INTERSECTION OF FM 1322 AND SEAWILLOW ROAD.

Mr. Fowler stated that in mid-2022 Red Oak development contacted staff regarding proposed development in what was then the City's ETJ. The first project resulting from this effort is the Seawillow subdivision, which consists of approximately 420 single-family residential units on 89.775 acres east of the Summerside Subdivision. This area was annexed into the City in September 2022 and the Preliminary Plat was approved in March 2023. The second project is the one to be discussed in the scheduled workshop; an approximately 500-acre mixed-use development including several types of residential, commercial, parkland and other development areas, including a school parcel. This development is largely located in the Lockhart ETJ, immediately east of the Seawillow subdivision. Despite being adjacent to the city limits, the applicant does not plan to annex the project into the city and extend city utilities to the project area. This project is instead proposed as a Municipal Utility District (MUD) which would remain outside the city, despite the fact that the project abuts the city and would be adjacent to a subdivision served by City utilities. The applicant has provided a document which answers several questions from city staff regarding the type of development proposed and the sources of major types of public services. The applicant held a workshop at the April 12th Planning and Zoning Commission meeting. Several questions were asked regarding the reason for the project not being located in the City, despite the site's location adjacent to the city limits. The City Attorney suggested the possibility of financing using a Public Improvement District (PID) instead of a MUD in order to allow the project to be located in the city, which would provide much greater tax revenue for the city in comparison to a MUD within the City's ETJ.

Luke Caraway of Viewpoint Engineering on behalf of Red Oak Development stated that Red Oak will donate 40 acres to the Lockhart Independent School District. He provided details about the development of teacher housing and building a new school.

Mark Estrada, Lockhart Independent School District (LISD) Superintendent provided details about the project which entailed building a new school and building affordable housing dedicated for LISD teachers.

Mr. Caraway provided additional information about the development that also includes a proposed Regional Hospital and medical offices.

Dr. John Turner provided information about the plan to provide medical care to the community. He stated that the hospital would primarily be for out-patient medical procedures and short-term hospital stays in addition to possibly adding emergency medical services. The hospital will initially be built to

accommodate the current population and it will have the opportunity to add to the hospital building as the population increases.

There was discussion.

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

- Fire Station No. 1 project update.
- Recommendations from the Impact Fee Advisory Committee will be considered in a public hearing on May 2nd.
- Update on TXDOT landscaping / irrigation improvements at the overpass located at U.S. 183 and Cemetery Street.
- Update on improvements in Nueces Park.

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

Councilmember Westmoreland asked citizens to be patient with the construction on Highway 142.

Councilmember Mendoza thanked the Lower Colorado River Authority for the step forward day. He commended staff for painting the picnic tables at the City Park.

Mayor Pro-Tem Sanchez expressed condolences to families that have recently lost a loved one. She congratulated El Leon Cigar Company and Mr. Cisneros who celebrated their 2nd Anniversary.

Councilmember McGregor reminded citizens about the Old Settlers Festival this weekend.

Councilmember Castillo invited everyone to the Mariachi del Fiesta at the Library. He thanked staff for the improvements at Nueces Park.

Councilmember Michelson thanked staff for sidewalk improvements. He welcomed Chief Williamson to the Lockhart Police Department.

Mayor White invited everyone to the Courthouse Nights event this weekend and to the Running of the Bulls event on Saturday. He provided details about the upcoming Cinco de Mayo event.

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 9:31.

PASSED and APPROVED this the 19th day of March, 2024.

CITY OF LOCKHART

Lew White, Mayor

ATTEST:

Julie Bowermon
City Secretary

**REGULAR MEETING
LOCKHART CITY COUNCIL**

MAY 2, 2023

6:30 P.M.

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

Council present:

Councilmember John Castillo
Councilmember Juan Mendoza
Councilmember Jeffry Michelson

Mayor Lew White
Councilmember Brad Westmoreland
Councilmember Kara McGregor
Mayor Pro-Tem Angie Gonzales-Sanchez

Staff present:

Steve Lewis, City Manager
David Fowler, Planning Director
Julie Bowermon, Civil Service/HR Director

Monte Akers, City Attorney
Sean Kelley, Public Works Director
Travis Hughes, Parks Director

Citizens/Visitors Addressing the Council: Eddie Haus of Freese and Nichols; Citizen: Molly Salas; and, Jeff Meadows 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 AND UPDATE ON CITY OF LOCKHART WAYFINDING PROJECT AND KEEP LOCKHART BEAUTIFUL GCAA TXDOT HIGHWAY IMPROVEMENT PROJECT.

Mr. Hughes stated that the City of Lockhart is developing a wayfinding plan that will include signage at the major entryways into the city, as well as informational, transportation, and pedestrian wayfinding signage. A master plan has been developed and unit pricing has been obtained for the signage. The Keep Lockhart Beautiful GCAA project is a Texas Department of Transportation (TxDOT) highway improvement project utilizing grant funds. The project will transform the space beneath the Highway 183 overpass into a pedestrian gateway into City Park. There was discussion.

B. DISCUSS THE APPOINTMENT OF A STEERING COMMITTEE FOR THE COMPREHENSIVE PLAN AND POSSIBLE SIZE AND MEMBERSHIP OF THE STEERING COMMITTEE.

Mr. Fowler stated this item is a discussion of the formation of a steering committee for the comprehensive planning process. The planning process is expected to last for 18 months. Freese and Nichols anticipates holding 5 public meetings to initiate the project, discuss key topics, explore possible scenarios, review draft work products, and craft the final comprehensive plan document. It is the city's responsibility to appoint a steering committee for the planning process that the city feels provides proper representation of key city issues and constituencies. The purpose of this discussion is to come to an understanding of the need to create a steering committee, and discuss the potential size and composition of the committee. The next step would be council appointment of members based upon this discussion at a future meeting. There will be an action item at a future meeting to nominate and appoint members of the steering committee.

Eddie Haus of Freese and Nichols provided information about the role of the focus groups and surveys.

Mayor White requested that the Council provide staff with suggestions of the composition of the steering committee so that Council can discuss and consider creating the committee during the next meeting.

C. DISCUSS THE NOMINATION OF JULIA HAUG TO THE PLANNING AND ZONING COMMISSION BY COUNCILMEMBER JUAN MENDOZA FOR A TERM TO EXPIRE IN NOVEMBER 2025.

There was discussion regarding Ms. Haug's qualifications.

RECESS: Mayor White announced that the Council would recess for a break at 7:11 p.m.

REGULAR MEETING

ITEM 1. CALL TO ORDER,

Mayor Lew White called the meeting to order at 7:30 p.m.

ITEM 2. INVOCATION, PLEDGE OF ALLEGIANCE.

Mayor Pro-Tem Sanchez 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.

Molly Salas, 1310 Clearfork Street, expressed concern about why the neighbors continuously complain about her yard. She stated that she is tired of the complaints and asked that the city be concerned about other properties in the city that have much more litter and debris than her property.

ITEM 4-A. HOLD A PUBLIC HEARING, DISCUSSION AND/OR ACTION TO CONSIDER ORDINANCE 2023-09, AMENDING CHAPTER 31 "IMPACT FEES" OF THE CODE OF ORDINANCES, INCORPORATING UPDATED LAND USE ASSUMPTIONS AND UPDATED WATER, WASTEWATER, AND ROADWAY CAPITAL IMPROVEMENTS PLANS AS EXHIBITS, AMENDING THE FEES FOR WATER, WASTEWATER, AND ROAD IMPACT FEES AS SET FORTH IN APPENDIX I; AMENDING AFFECTED SECTIONS REFERENCING THE UPDATED APPENDICES AND EXHIBITS; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALER; AND ESTABLISHING AN EFFECTIVE DATE.

Mayor White opened the public hearing at 7:35 p.m. and requested the staff background report.

Mr. Fowler stated that the public hearing for proposed revisions to Chapter 31, Impact Fees, of the Lockhart Code of Ordinances. The Ordinance, 2023-09, could be approved at this meeting if the Council feels that all proposed assumptions, projects, and fees are appropriate. City Council may also vote to approve the revisions to Chapter 31 at the Council meeting to be held May 16th without having to re-advertise the hearing.

Eddie Haus of Freese and Nichols provided an update about how land use assumptions and road impact fees benefit the city. He stated that Bastrop, Kyle nor San Marcos currently have road impact fees. There was discussion.

Jeff Meadows of TRC provided an update about the water and wastewater impact fees.

Mr. Fowler provided an update about the previous water, wastewater and roadway impact fees and the new impact fees to be assessed/collected if adopted as presented in Ordinance 2023-09. There was discussion.

Mayor White requested citizens in favor of or against the impact fees to address the Council. There were none. He closed the public hearing at 8:47 p.m.

Mayor Pro-Tem Sanchez made a motion to approve Ordinance 2023-09, as presented. Councilmember McGregor seconded. The motion passed by a vote of 4-3, with Mayor White and Councilmembers Michelson and Mendoza opposing.

ITEM 5-A. DISCUSSION AND DIRECTION REGARDING THE APPOINTMENT OF A STEERING COMMITTEE FOR THE COMPREHENSIVE PLAN AND POSSIBLE SIZE AND MEMBERSHIP OF THE STEERING COMMITTEE.

Mayor White requested that Council provide him with recommendations about the qualifications and number of members of the steering committee by next week. He will work with staff on an agenda item to consider the creation of the committee on the next council agenda.

ITEM 5-B. DISCUSSION AND/OR ACTION REGARDING THE NOMINATION OF JULIA HAUG TO THE PLANNING AND ZONING COMMISSION BY COUNCILMEMBER JUAN MENDOZA FOR A TERM TO EXPIRE IN NOVEMBER 2025.

Councilmember Mendoza made a motion to appoint Julia Haug to the Planning and Zoning Commission. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 7-0.

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

- Update relative to the Housing and Development Committee's consideration of residential / non-residential landscaping requirements, fees and changes, and single family house repetition design standards.
- City Park Splash Pad opens May 2nd.
- 2023 Sidewalk Improvements update.
- Cinco de Mayo Celebration downtown on Saturday, May 6th.
- May 8th Budget Workshop: Economic Development Corporation, Caldwell County Appraisal District, and General Fund.
- May 9th Budget Workshop: Utility Funds.
- GBRA budget and presentations by non-profits will be included during the June 20th regular City Council meeting.

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

Councilmember Mendoza thanked everyone that participated in the Running of the Bulls and the LISD Color Run. He reminded everyone about the Cinco de Mayo event this weekend.

Mayor Pro-Tem Sanchez expressed condolences to families that have recently lost a loved one. She congratulated all that participated in recent events. She expressed best wishes for a successful Cinco de Mayo event. She expressed best wishes to senior students that selected a college to attend.

Councilmember McGregor invited all to attend upcoming events. She wished the students attending prom the best. She wished her daughter a Happy 21st birthday.

Councilmember Castillo congratulated everyone that attended the Mariachi event this past weekend. He invited all to attend upcoming events. He wished senior students the best and a Happy Birthday to all that have a birthday in May.

Councilmember Michelson wished the Hispanic Chamber the best for a successful Cinco de Mayo event. He congratulated the Lockhart Lion Band for playing at Carnegie Hall.

Mayor White also congratulated the Lockhart Lion Band for playing at Carnegie Hall. He wished graduating students the best and he thanked all involved in community events.

ITEM 8. 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 9:00 p.m.

PASSED and APPROVED this the 19th day of March, 2024.

CITY OF LOCKHART

Lew White, Mayor

ATTEST:

Julie Bowermon
City Secretary

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 19, 2024

AGENDA ITEM CAPTION: Discuss a Cost Participation and Easement Agreement with Stich Interests, LLC for development of a new wastewater utility easement and authorizing City participation in a project to replace an aging wastewater line at 519 West San Antonio Street.

ORIGINATING DEPARTMENT AND CONTACT: Public Works - Sean Kelley

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: The property at 519 West San Antonio Street has a public 8" and 6" wastewater line that serves residents along West San Antonio Street and was constructed over 60 years ago. This line is constructed of clay tile material and the manholes are constructed out of bricks, which was common at the time. While the line has not failed, it is in deteriorating condition and is in need of replacing. This was confirmed by both the property owner's plumber and the city inspecting the line with cameras. The property owner of 519 West San Antonio Street expressed concern about the line's condition and formally requested the City's participation in the replacement of the wastewater line, since they have plans on developing the property and the existing condition of the pipeline may not withstand heavy equipment developing the site. Furthermore, at the time of the wastewater line's construction, the line was placed on the property, but no easement was granted.

If the Council authorizes participation in the 8" Wastewater Line Replacement project, approximately 195' of 8" wastewater main will be replaced, two new concrete manholes will be installed, the crossing of the dry creek will be replaced, approximately 50 ft of 6" wastewater main will be oversized to an 8" wastewater main, improving flow, and a 275' by 15' utility easement will be dedicated to the City. The newly granted easement will also resolve an issue with the current alignment of the wastewater line that traverses diagonally through the property and will create a future opportunity to realign the portions of the wastewater main that currently go through the service station property west of the subject property.

By entering this agreement, the City agrees to purchase the new easement at a cost of \$6,512.34, contribute up to half of the cost of construction of the new 8" wastewater main at a cost not to exceed \$12,615, and contribute the cost of oversized 50' of 6" wastewater main to an 8" main. The developer, Stich Interests, LLC, will be responsible for coordinating the installation of the new wastewater line and dedicating the 275' by 15' public utility easement. During the construction, the City will conduct inspections of the new utility to ensure the utility meets all City Construction Standards. Upon satisfaction of completion and conveyance of the easement, the City shall pay its share as stated in the agreement.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:

City of Lockhart, Texas

Council Agenda Item Cover Sheet

Funds Required: \$19,294.14

Account Number: 540-5760-911-00

Funds Available: \$19,294.14

Account Name: Construction/Project Imp.

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff respectfully recommends entering the Cost Participation and Easement Agreement with Stich Interests, LLC.

LIST OF SUPPORTING DOCUMENTS: Cost Participation Agreement, Exhibit A, Exhibit A1, Exhibit B, Exhibit C

STATE OF TEXAS §
 § **COST PARTICIPATION AND EASEMENT**
COUNTY OF CALDWELL § **AGREEMENT**

The **CITY OF LOCKHART** ("City"), a home rule municipal corporation situated in Caldwell County, Texas, and Stich Interests, LLC ("Developer"), make and enter into this Cost Participation and Easement Agreement ("Agreement"), dated and effective on the date of the last party to sign this Agreement ("Effective Date").

RECITALS

WHEREAS, Developer owns property, which is located at 519 West San Antonio Street in Lockhart, Caldwell County, Texas, consisting of approximately 1.175 acres of land, more or less, and more particularly described by metes and bounds in Exhibit "A", which Exhibit is attached hereto and incorporated herein by reference for all purposes allowed by law (the "Property"); and **WHEREAS**, the Developer has requested that an existing eight inch (8") sewer line on the Property be relocated and replaced with a new eight inch (8") inch sewer line (the "Replacement Sewer Line") at a new location along the Developer's western boundary line and has agreed to design and construct the new sewer line and associated sewer line improvements and convey a utility easement to the City upon relocation, replacement and acceptance of the Sewer Line by the City; and

WHEREAS, in addition to the replacement of the existing 8" sewer line, the Developer has agreed to upsize and replace approximately 50 feet of an existing 6" sewer line with an 8" sewer line (the "Oversized Line") and relocate same on property adjoining the Developer's Property at the northern property line (the "Offsite Property"); and

WHEREAS, City has agreed to participate in the cost of the Replacement Sewer Line and the Oversized Line (collectively referred to as the "Sewer Line Project") and which cost of participation shall include consideration for the value of the utility easement as set out in this Agreement;

WHEREAS, the City is authorized by subchapter C, §212.071 et. seq. (Developer Participation in Contract for Public Improvements) of the Texas Local Government Code to execute a contract with a developer of a subdivision of land in the municipality to construct public improvements without complying with the notice and competitive sealed bidding procedure of Chapter 252 of the Texas Local Government Code; and

WHEREAS, as provided in §212.071 of the Texas Local Government Code, the Developer and the City agree that the Developer shall construct the Sewer Line Project as required by and in accordance with City ordinances, and the City will participate in the costs as budgeted and set forth herein; and

WHEREAS, Developer has or will convey to the City the necessary easements and/or right-of-way for the installation, and future access and maintenance of the Sewer Line Project; and

WHEREAS, as further provided in § 212.072 of the Texas Local Government Code, the City may participate and pay 100 percent of the total cost for any oversizing of improvements required by the municipality, including but not limited to increased capacity of improvements to accommodate additional and future development in the area; and

WHEREAS, the City has determined that this Agreement and the Developer's construction of the Sewer Line Project can be accomplished in a cost efficient manner, will therefore result in an economic benefit to local taxpayers, and is in the best interests of the citizens of the City; and

WHEREAS, for the construction of the Sewer Line Project, City shall participate in its cost as further described herein, subject to Developer complying with all requirements under the law and terms in this Agreement and City will compensate the Developer for the value of the easement as set out herein.

NOW THEREFORE, in consideration of these premises, the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which both Parties acknowledge, the City and Developer agree as follows:

1. DEFINITIONS.

A. *City* means the City of Lockhart, a Texas home-rule city and municipal corporation situated in Caldwell County, and includes its representatives, agents, assigns, inspectors, contractors, employees and consultants.

B. *Developer* means Stich Interests, LLC_, the owner and its representatives, agents, contractors, employees, and consultants.

C. *Easement* means a 15 foot wide utility easement on the Property to be conveyed by the Developer to the City upon inspection and acceptance of the constructed Sewer Line Project as depicted in Exhibit "B", attached hereto.

D. *Easement (Offsite)* means a 10 foot easement on the Offsite property as depicted in Exhibit "A1", attached hereto which was already conveyed to the City by the Off-site landowner. In the event that the easement described in Exhibit "A1" does not abut the Developer's Property, then the Offsite Easement shall mean the easement described in Exhibit "A1" together with additional conveyance by the Offsite owner to the City of an area sufficient to connect the Sewer Line Project to the existing sewer line located within the Exhibit "A1" easement and as depicted in Exhibit "B".

E. *Effective Date* means the date on which the last party executes this Agreement.

F. *Notice* means any formal notice or communication required or permitted to be given by one Party to another by this Agreement.

G. *Sewer Line Project* means the eight inch (8") sewer line and associated facilities proposed to be constructed under the terms of this Agreement on the Property described in Exhibit "A" and the Offsite Property described in Exhibit "A1" in the location as shown on Exhibit "B". The construction of the Sewer Line Project also includes the conveyance of any necessary utility easement or right-of-way to the City for purposes of access and maintenance of the sewer line, storm water permitting, erosion control, easement preparation, excavation, trench safety, construction, including labor and materials, of the 8 inch line and associated facilities as described in Exhibit "B". Construction of the Sewer Line Project includes, backfill, compaction, re-establishment of ground cover, and any other improvements necessary to connect this line to the City's sewer system and all engineering, design and surveying for the construction of same, together with all related appurtenances thereto, upon and across the Property, that is the subject of this Agreement in accordance with all City, state and federal standards.

H. *Parties* means the City and Developer.

2. PARTIES' OBLIGATIONS

Developer shall design and construct the Sewer Line Project in accordance with all applicable governmental rules, ordinances and regulations and the terms of this Agreement. Developer further agrees that it shall be solely responsible for payment of any and all costs, including but not limited to design and construction costs, including labor and materials, arising from the construction of the Sewer Line Project, otherwise except as provided herein.

The Parties agree that the following cost estimates shall determine the cost to be paid by the City:

DEVELOPER'S SHARE = 100% of the total cost of design and construction of the Sewer Line Project, as described and shown on Exhibit "B", which is incorporated herein for all purposes, less the City Share.

CITY'S SHARE = 50% of the estimated cost for the Sewer Line Project and 100% of the difference between the construction cost of 50 feet of a 6 inch line and 50 feet of an 8 inch line as described in Exhibit "C", Cost Estimates. The City Share shall also include any cost associated with acquisition of the Off Site easement.

The City's share shall be paid to Developer in accordance with the terms of this Agreement in a lump sum amount not to exceed \$12,781.80 such sum being the construction costs associated with the Sewer Line Project (\$12,615.00) and (\$166.80) for the cost of oversizing 50 feet of sewer line from 6 inches to 8 inches.

The City shall not be responsible for any cost increase between the cost estimate and the actual cost to construct the Sewer Line Project. The Developer shall be solely responsible for any increase in cost for the construction of the Sewer Line Project.

In addition, the City shall pay to developer as consideration for the conveyance of the Utility Easement the sum of Six Thousand Five Hundred Twelve Dollars and 34 cents (\$6512.34). Such sum to be paid to Developer at the same time that the City Share is paid to Developer. Conveyance shall be free and clear of any liens of other impediments. If the Property is subject to a lien, the lien shall be subordinated or released prior to the conveyance.

The Developer shall comply with all applicable federal, state and local law including all City ordinances, codes and regulations in the design and construction of the Sewer Line Project. As the Sewer Line Project will ultimately be owned and maintained by the City, prior to beginning construction of the Sewer Line Project, the Developer shall submit plans and material specifications to the City for review and approval. Failure to obtain the City's final approval prior to construction or failure to comply with all applicable federal, state and local law including all City ordinances, codes and regulations shall constitute a material breach of this Agreement and permit the City to terminate this Agreement immediately, and the City shall not be responsible for any costs incurred by the Developer through the date of termination. In addition, Developer shall obtain all permits and inspections required by the City and shall be solely responsible for any costs associated with obtaining such permits and inspections. Upon execution of this Agreement, a schedule shall be submitted to the City Engineer as to when work will begin and be completed under this Agreement.

Developer agrees to furnish the City with a copy of each written agreement entered into with a contractor or consultant retained to design and complete the construction of the Sewer Line Project. All of the Developer's books, records, and related accounting information related to the construction of the Sewer Line Project shall be available for inspection by the City upon request, without cost to the City. Any work performed by a contractor or consultant of the Developer will not, under any circumstances, relieve Developer of its responsibilities and obligations under this Agreement. All work performed by the Developer, or contractors, agent or representatives shall be done in a good and workmanlike manner satisfactory to the City. Any contractor or consultant hired by Developer shall have sufficient skills and experience to properly perform the work described in the approved specifications and as shown on the approved construction plans and shall provide adequate supervision to assure competent performance of the work.

During construction of the Sewer Line Project, the City shall be granted entry onto the Property at reasonable times to inspect the progress and quality of the construction of the Sewer Line Project and test the line as necessary; and as deemed appropriate in accordance with the City's Code of Ordinances, and any applicable rules and regulations. Developer shall provide to the City a copy of all test results ordered by the Developer.

Upon satisfactory completion and no later than thirty (30) days after completion of the construction of the Sewer Line Project, and conveyance and acceptance by the City of any necessary public utility easement or right-of-way, the Developer shall submit a written invoice to the City requesting payment from the City for its lump sum share, and shall include a copy of all

release of liens forms from any subcontractor which worked on the construction of the Sewer Line Project or other written evidence of satisfactory payment by the Developer to all subcontractors, agents or vendors supplying material and/or equipment, as applicable for the construction of the Sewer Line Project. If there are no disputes as to the construction of the Sewer Line Project or costs invoiced, and all necessary conveyance of easements or right-of-way has been received and accepted by the City, the City shall pay its share as stated in this Agreement and the consideration for the utility easement within thirty days (30). Payment by the City is subject to the Developer completing the construction of the Sewer Line Project pursuant to this Agreement and conveyance of associated utility easements on forms acceptable to the City in order to access and maintain the Sewer Line Project.

3. TERM

No building permit shall be issued on the Property until the Developer has completed construction of the Sewer Line Project, the City has inspected the Sewer Line Project, the Developer has conveyed the utility easement and the City has accepted the Sewer Line Project and conveyance of a utility easement or right-of-way acceptable to the City to access and maintain the Sewer Line Project has been received. In any event the Developer shall complete construction of the Sewer Line Project and offer to convey to the City the utility easement or right-of-way, no later than the dates specified in the schedule approved by the City Engineer.

Unless terminated earlier as provided for herein, this Agreement shall automatically terminate after the construction of the Sewer Line Project is complete, the City has inspected the Sewer Line Project to assure that City specifications and applicable regulations have been satisfied, the Developer has conveyed and the City has accepted the utility easement or right-of-way acceptable to the City to access and maintain the Sewer Line Project, the City has accepted the Sewer Line Project for maintenance, and the City has paid the City's share and the consideration for the utility easement to the Developer.

If the City Engineer determines that the City's specifications or any requirements under the law have not been met and the Sewer Line Project cannot be accepted for maintenance by the City, then Developer shall be solely responsible for any necessary corrections and alterations and all costs associated with any necessary corrections and alterations. The City shall not be responsible nor participate in any costs incurred in such instance. If Developer does not complete the construction of the Sewer Line Project in accordance with the terms herein, the Developer shall still be responsible for the conveyance of the utility easement or right-of-way, and City may elect to terminate this Agreement, complete the construction and assess the Developer with any costs to complete the construction of the Sewer Line Project.

In addition, Developer agrees to give a warranty on its work on the Sewer Line Project in accordance with the requirements of the City's Code of Ordinances.

4. BOND AND INSURANCE REQUIRED

The Developer must execute concurrently with the execution of this Agreement, a performance bond for one hundred (100%) percent of the total estimated construction cost of the

Sewer Line Project to secure fulfillment of all of the Developer's obligations under this Agreement. The performance bond must be in a form to be approved by the City, and once executed a copy shall be provided to the City prior to commencement of construction of the Sewer Line Project. The bond must be executed by a corporate surety in accordance with Chapter 2253, Texas Government Code. The bond shall identify the City as the named Obligee, and the City shall be notified of termination of such bond if prior to the end of the term of this Agreement.

The Developer must acquire a general liability policy with minimum liability limits of \$1,000,000 per occurrence with aggregate coverage of \$2,000,000 and name the City as a an additional insured.

5. INCREASED COSTS

It may be anticipated that additional costs may arise from change in location, if requested by Developer and agreed to by City, site conditions or latent defects; however, Developer agrees that it will be solely responsible for payment of all increased costs in the construction of the Oversize Line in such instances.

6. NOTICE OF DEFAULT; OPPORTUNITY TO CURE; REMEDIES

Should any Party allege that the other has defaulted in the performance of any obligation hereunder, it will provide at least thirty (30) days written notice to the other Party specifying the nature of the alleged default and opportunity to cure the default before exercising any remedy related to the alleged default.

Upon the failure of either Party to comply with the provisions of this Agreement, which failure continues beyond the thirty (30) day notice and cure period provided above, the other Party shall have the right to enforce the terms and provisions of this Agreement by specific performance, or by such other legal or equitable relief to which the non-defaulting Party may be entitled.

Any remedy or relief described in this Agreement shall be cumulative of and in addition to any other remedies and relief available at law or in equity.

The foregoing notwithstanding, it is understood and agreed that in addition to any other remedy which the City may have upon default by Developer under this Agreement, should Developer fail to comply with the City's Ordinances or any other applicable development regulation, the City may terminate this Agreement and may withhold all payment for costs incurred by Developer.

No prior written notice shall be required to terminate this Agreement if there is an imminent threat to the public health, safety and welfare, and the City may take any and all actions as necessary to mitigate the immediate threat and assess the costs to the Developer.

7. MISCELLANEOUS

A. **Entire Agreement.** This Agreement including any attached exhibits is the entire agreement between the Parties and supersedes all prior or contemporaneous understandings or representations, whether oral or written, respecting the subject matter herein.

B. **Amendment.** No amendment of this Agreement will be effective unless it is in writing and signed by the duly authorized representatives of the Parties hereto, which amendment will incorporate this Agreement in every particular not otherwise changed by the amendment.

C. **Other Instruments, Actions.** The Parties hereto agree that they will take such further actions and execute and deliver such other and further consents, authorizations, instruments, or documents as are necessary or incidental to effectuate the purposes of this Agreement.

D. **No Third Party Rights Or Obligations.** No person or entity not a party to this Agreement shall have any third party beneficiary or any other rights against the parties to this Agreement.

E. **Applicable Law; Venue.** This Agreement shall be construed under and according to the laws of the State of Texas. Jurisdiction and venue for any suit arising hereunder shall be in Caldwell County, Texas.

F. **Severability.** The provisions of this Agreement are severable, and if any court shall ever hold any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application of it to any person or circumstance of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances will not be affected by that and this Agreement will be construed as if it had never contained such invalid or unconstitutional portion therein.

G. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original and all of which shall constitute the same instrument.

H. **Notices.** For the purposes of Notice, the addresses of the Parties will, until changed as provided below, be as follows:

CITY:

Lockhart, Texas
Attn.: City Manager
Phone:
Fax:

With Copy to: Brad Bullock
City Attorney
Messer Fort PLLC
4201 Parmer Lane Suite 250
Austin, Texas 78727
Phone: (512) 600-2308

DEVELOPER:

Stich Interests, LLC
121 Nueces Street
Lockhart, TX 78644
Phone: (512)398-5352
Fax: (512)398-5633

The Parties will have the right from time to time to change their respective addresses upon written notice to the other Party. If any date or notice period described in this Agreement ends on a Saturday, Sunday or legal holiday, the applicable period for calculating the Notice will be extended to the first business day following such Saturday, Sunday or legal holiday.

I. **No Waiver of Development Ordinances.** No waiver of any provision of this Agreement will be deemed to constitute a waiver of any other provision or any other agreement, if any, between the Parties. No waiver of any provision of this Agreement will be deemed to constitute a continuing waiver unless expressly provided for by written amendment to this Agreement; nor will the waiver of any default under this Agreement be deemed a waiver of any subsequent defaults of the same type. Nothing herein shall waive any obligations of Developer under applicable ordinances, including but not limited to the Code of Ordinances or the water and wastewater regulations.

J. **Attorney's Fees.** Should either Party be required to resort to litigation to enforce the terms of this Agreement, the prevailing Party, plaintiff or defendant, shall be entitled to recover its costs, including reasonable attorney's fees, court costs, and expert witness fees, from the other Party. If the court awards relief to both Parties, each will bear its own costs in their entirety except as otherwise specified by the court.

K. **Governmental Authority.** Nothing in this Agreement shall be construed to limit, restrict, modify, or abrogate the City's governmental authority or ordinances respecting the facilities and utility improvements contemplated by the terms of this Agreement except as specifically waived or modified herein or by specific action of the City Council, nor the City's duty to provide for the public health, safety, and welfare in the construction or maintenance of the same.

L. **Assignability.** This Agreement shall not be assignable by Developer without the prior written consent of the City.

M. **Binding Obligation.** This Agreement shall be binding upon and inure to the benefit of the Parties and their representatives, successors, and assigns.

N. **Indemnification.** This Agreement is not intended to alter or reallocate any defense or immunity presently authorized to either party by law. The City shall not be subject to any obligations or liabilities of the Developer incurred in the performance of this Agreement. Developer has voluntarily agreed to undertake the construction of the Sewer Line Project. The construction of the Sewer Line Project is not a condition of approval or acceptance of the development of the Property. DEVELOPER SHALL INDEMNIFY AND HOLD CITY, ITS EMPLOYEES, OFFICERS, CITY COUNCIL AND REPRESENTATIVES, HARMLESS FROM ANY AND ALL CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER'S SUCCESSORS, ASSIGNS, GRANTEEES, VENDORS, TRUSTEES OR REPRESENTATIVES, BROUGHT PURSUANT TO THIS AGREEMENT OR THE CLAIMS OR TYPES OF CLAIMS DESCRIBED IN THIS PARAGRAPH. CITY SHALL HAVE NO RESPONSIBILITY OR OBLIGATION FOR INDEMNIFICATION OR DEFENSE OF DEVELOPER IN THIS AGREEMENT.

O. **Ambiguities Not to Be Construed against Party Who Drafted Agreement.** The rule of construction that ambiguities in a document will be construed against the party who drafted it will not be applied in interpreting this Agreement.

P. **No Special Relationship.** The parties' do not intend to create the relationship of principal and agent, partnership, joint venture, or any other special relationship by executing this Agreement.

Q. **Authorized Signature.** The person executing this Agreement on behalf of the Developer warrants to the City that the Developer is a duly authorized to do so, is qualified to do business in the State of Texas, and that Developer has full right and authority to enter into this Agreement, and that every person signing on behalf of Developer is authorized to do so.

R. **Off-Site Easement.** Notwithstanding any other language to the contrary, commencement of construction of the Sewer Line Project shall not commence unless and until the City notifies the Developer that the City has secured a utility easement from the owner of the Off Site property; if such acquisition of additional easement area is necessary. This Agreement shall terminate if the City has not been able to secure an easement from the Off Site property owner sufficient to fill the gap; if any, between the Exhibit "A1" offsite easement and the Developers Property within 90 days from the Effective Date of this Agreement.

Executed on the dates set forth below, to be effective as the date of the last party to sign this Agreement ("Effective Date").

(Signatures appear on following pages.)

CITY OF LOCKHART, TEXAS

Date: _____, 20__

By: _____

Name: _____

Title: _____

ATTEST:

_____, City Secretary

(Name)

„ DEVELOPER

Stich Interests LLC

By and through its General Partner

Ron Faulstich

a Partner

By:

Name: Ron Faulstich

Title: Partner

Date Signed: 3/15/24

STATE OF TEXAS §

COUNTY OF CALDWELL §

This instrument was acknowledged before me on the 15th day of MARCH, 2024, by RON FAULSTICH, in his capacity as PARTNER of STICH INTERESTS LLC, and that he executed the same on behalf of STICH INTERESTS LLC

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE 15th DAY OF MARCH, 2024.

Notary Public OF TEXA County, CALDWELL

My commission expires 4/26/27 Julie Mladenka Bowermon
JULIE MLADENKA BOWERMON

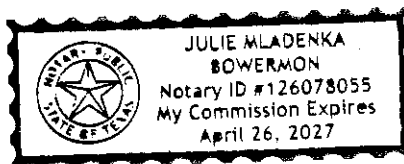


EXHIBIT "A"

PROPERTY

Land Description – _____ acres
Caldwell County, Texas

EXHIBIT "A1"

OFFSITE EASEMENT PROPERTY DESCRIPTION

Land Description – _____ acres
Caldwell County, Texas

EXHIBIT “B”

LOCATION AND SPECIFICATIONS OF SEWER LINE PROJECT

EXHIBIT “C”

COST ESTIMATES OF SEWER LINE PROJECT

2016-005375 WD Fee: 38.00
 10/20/2016 03:00:38 PM Total Pages: 5
 Carol Holcomb, County Clerk - Caldwell County, TX



GENERAL WARRANTY DEED

(with Vendor's Lien)

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.

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF CALDWELL

THAT JOE M. RECTOR, ALSO KNOWN AS JOE MARVIN RECTOR, owning property in the County of CALDWELL, Texas, hereinafter called "Grantor" (whether one or more), for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration to Grantor in hand paid by STICH INTERESTS LLC hereinafter called "Grantee" (whether one or more), whose mailing address is 121 NUECES STREET, LOCKHART, TEXAS 78644 the receipt and sufficiency of which are hereby acknowledged and confessed, and for the further consideration of the execution and delivery by said Grantee of one certain Promissory Note in the principal sum of ONE HUNDRED EIGHTY-NINE THOUSAND SIX HUNDRED AND 00/100 DOLLARS (\$189,600.00), bearing even date herewith, payable to the order of FIRST LOCKHART NATIONAL BANK, hereinafter called "Mortgagee", bearing interest at the rate therein provided; said Note containing an attorney's fee clause and various acceleration of maturity clauses in case of default, and being secured by Vendor's Lien and Superior Title retained herein in favor of said Grantor and assigned to Mortgagee, and also being secured by a Deed of Trust of even date herewith from Grantee to J. ROLAND VELVIN, Trustee; and

WHEREAS, Mortgagee has, at the special instance and request of Grantee, paid to Grantor a portion of the purchase price of the property hereinafter described, as evidenced by the above described Note, said Vendor's Lien and Superior Title against said property securing the payment of said Note is hereby assigned, transferred and delivered without recourse to Mortgagee, Grantor hereby conveying to said Mortgagee the said Superior Title to said property, subrogating said Mortgagee to all the rights and remedies of Grantor in the premises by virtue of said lien;

And Grantor has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY, unto said Grantee, the following described real property, to-wit:

BEING 1.175 ACRES OF LAND, MORE OR LESS, AND BEING A PART OF LOT 2 IN BLOCK 48 OF THE ORIGINAL TOWN OF LOCKHART, CALDWELL COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS IN EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES;

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereunto in anywise belonging, unto said Grantee, its successors and assigns, FOREVER. Grantor does hereby bind itself, its successors and assigns, TO WARRANT AND FOREVER DEFEND all and singular the said premises unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

This Deed is executed, delivered and accepted subject to all and singular any liens securing the payment of any debt created or assumed in connection herewith if such liens are described herein, standby fees, ad valorem taxes for the current and all subsequent years, subsequent assessments for prior years due to changes in land usage or ownership, zoning ordinances, utility district assessments and standby fees, if any, applicable to and enforceable against the above described property, and all valid utility easements created by the dedication deed or plat of the subdivision in which said real property is located, covenants, restrictions common to the platted subdivision in which said real property is located, mineral reservations, maintenance fund liens, and any title or rights asserted by anyone, including, but not limited to, persons, corporations, governments or other entities to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes,

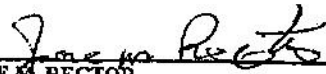
bays, gulfs or oceans, or to any land extending from the line of the harbor or bulkhead lines as established or changed by any government or to filled-in lands, or artificial islands, or to riparian rights or other statutory water rights, or the rights or interests of the State of Texas or the public generally in the area extending from the line of mean low tide to the line of vegetation or the right of access thereto, or right of easement along and across the same, if any, applicable to and enforceable against the above described property as shown by the records of the County Clerk of the County in which said real property is located.

BUT IT IS EXPRESSLY AGREED that the Grantor herein reserves and retains for himself, his heirs and assigns, a Vendor's Lien, as well as the Superior Title, against the above described property, premises and improvements, until the above described Note and all interest thereon have been fully paid according to the terms thereof, when this Deed shall become absolute.

WHEN this Deed is executed by more than one person, or when the Grantee is more than one person, the instrument shall read as though pertinent verbs, nouns and pronouns were changed correspondingly, and when executed by or to a corporation, the words, "heirs, executors and administrators" or "heirs and assigns" shall be construed to mean "successors and assigns". Reference to any gender shall include either gender and, in the case of a corporation, shall include the neuter gender, all as the case may be.

DATED this the 20th day of October, 2016.

SELLER:

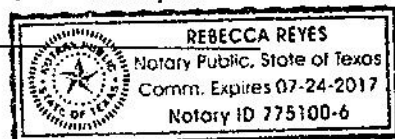

JOE M. RECTOR

THE STATE OF TEXAS

COUNTY OF CALDWELL

This instrument was acknowledged before me on the 20th day of October, 2016,
by JOE M. RECTOR, ALSO KNOWN AS JOE MARVIN RECTOR

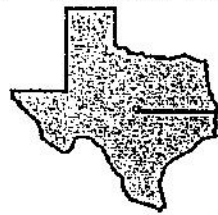
My commission expires:




NOTARY PUBLIC

Notary's Name (printed)

RETURN TO:
STICH INTERESTS LLC
121 NUECES STREET
LOCKHART, TEXAS 78644



HINKLE
SURVEYORS

Page 1 of 2
Job #20162551

EXHIBIT "A"

Page 1 of 2

All of a certain tract or parcel of land situated in the City of Lockhart, Caldwell County, Texas and being a part of Lot 2 in Block 48 of the Original Town of Lockhart according to the map or plat thereof recorded in Volume Q Page 507 of the Deed Records of Caldwell County, Texas and also being all of a tract of land called 0.175 acres and conveyed to Joe Marvin Rector et ux by deed recorded in Volume 88 Page 39 of the Official Records of Caldwell County, Texas and also being all of Two (2) tracts of land conveyed to Joe E. Rector by deeds recorded in Volume 283 Page 152 and Volume 346 Page 542 of the said Deed Records and being more particularly described as follows:

BEGINNING at a 1/2" Iron pin found used for basis of bearing in the SE corner of the above mentioned Volume 283 Page 152 and the North line of West San Antonio Street and the apparent SW corner of a tract of land designated as First Tract called 0.49 acres and conveyed to Westwood Limited by deed recorded in Volume 518 Page 622 of the said Deed Records for the SE corner this tract and from said 1/2" iron pin found a second 1/2" iron pin found used for basis of bearing marking the intersection of the West line of Nueces Street and the North line of West San Antonio Street bears N 80 degrees 00 minutes 00 seconds E 193.98 feet.

THENCE S 80 degrees 00 minutes 00 seconds W with the South lines of the said Volume 283 Page 152 and the above mentioned Volume 346 Page 542 and the North line of West San Antonio Street **183.47 feet** to a capped 1/2" iron pin set (stamped "HINKLE SURVEYORS") in the SW corner of the said Volume 346 Page 542 and the apparent SE corner of a tract of land called 0.4665 acres and conveyed to Anilbhai Chunilal Hospitality, LLC by deed recorded in Volume 517 Page 846 of the said Official Records for the SW corner this tract.

THENCE with the West line of the said Volume 346 Page 542 and the apparent East lines of the above mentioned 0.4665 acre tract and a tract of land called 0.172 acres and conveyed to Roger Williams by deed recorded in Volume 243 Page 866 of the said Official Records for the following Two (2) courses:

- 1) N 10 degrees 14 minutes 11 seconds W 201.37 feet** to a 1/2" iron pin found in the apparent NE corner of the said 0.4665 acre tract and the apparent SE corner of the above mentioned 0.172 acre tract for an angle point this tract.
- 2) N 10 degrees 09 minutes 38 seconds W 75.00 feet** to a 1/2" iron pin found in the NW corner of the said Volume 346 Page 542 and the apparent South line of a tract of land called 0.3378 acres and conveyed to Roger Williams by deed recorded in Volume 229 Page 575 of the said Official Records for the NW corner this tract.

THENCE N 79 degrees 50 minutes 22 seconds E with the North line of the said Volume 346 Page 542 and the apparent South line of the above mentioned 0.3378 acre tract **100.91 feet** to a capped 1/2" iron pin set (stamped "HINKLE SURVEYORS") in the NE corner of the said Volume 346 Page 542 and the apparent West line of a tract of land called 0.117 acres and conveyed to City of Lockhart by deed recorded in Volume 29 Page 382 of the said Official Records for an reentrant corner this tract.



HINKLE
SURVEYORS

Page 2 of 2
Job #20162551

EXHIBIT "A"
Page 2 of 2

THENCE S 10 degrees 44 minutes 39 seconds E with the East line of the said Volume 346 Page 542 and the apparent West line of the above mentioned 0.117 acre tract **23.03 feet** to a capped 1/2" iron pin set (stamped "HINKLE SURVEYORS") in the East line of the said Volume 346 Page 542 and the NW corner of the above mentioned 0.175 acre tract and the apparent South corner of the said 0.117 acres for an ell corner this tract.

THENCE N 40 degrees 25 minutes 21 seconds E with the North line of the said 0.175 acre tract and the apparent South line of the said 0.117 acre tract **102.70 feet** to a capped 1/2" iron pin set (stamped "HINKLE SURVEYORS") in the NE corner of the said 0.175 acre tract and the apparent West line of a tract of land called 0.434 acres and conveyed to David K. Mills by deed recorded in Volume 88 Page 42 of the said Official Records for the NE corner this tract.

THENCE S 10 degrees 44 minutes 39 seconds E with the East lines of the said 0.175 acre tract and Volume 283 Page 152 and the apparent West lines of the above mentioned 0.434 acre tract and a tract of land called 0.504 acres and conveyed to Ronald W. Faulstich by deed recorded in Volume 278 Page 686 of the said Official Records and the above mentioned 0.49 acre tract **319.08 feet** to the place of beginning containing **1.175 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 September 21, 2016. Only those prints containing the raised Surveyor's seal and an original "LIVE" signature should be considered official and relied upon by the user.



FILED AND RECORDED

Instrument Number: 2016-005375 WARRANTY DEED

Filing and Recording Date: 10/20/2016 03:00:38 PM Pages: 5 Recording Fee: \$38.00

I hereby certify that this instrument was FILED on the date and time stamped hereon and RECORDED in the OFFICIAL PUBLIC RECORDS of Caldwell County, Texas.



Carol Holcomb

Carol Holcomb, County Clerk
Caldwell County, Texas

ANY PROVISION CONTAINED IN ANY DOCUMENT WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE REAL PROPERTY DESCRIBED THEREIN BECAUSE OF RACE OR COLOR IS INVALID UNDER FEDERAL LAW AND IS UNENFORCEABLE.

DO NOT REMOVE. THIS PAGE IS PART OF THE OFFICIAL PUBLIC RECORD.

UNDERGROUND SEWER LINE EASEMENT

1660

THE STATE OF TEXAS §
COUNTY OF CALDWELL §

KNOW ALL MEN BY THESE PRESENTS:

That we, MARY TANNOS, a widow, of the County of Caldwell, State of Texas, and JOE TANNOS, a married man owning, occupying and claiming other property located in League City, Galveston County, Texas, as my homestead, of the County of Galveston, State of Texas, for and in consideration of the sum of ONE DOLLAR (\$1.00) cash to us in hand paid by the Grantee herein, the receipt of which is hereby acknowledged, and for the further consideration of the Grantee furnishing and installing one (1) water tap and one (1) sewer tap for Grantors' use, the locations of which to be mutually agreed upon by Grantors and Grantee, have GRANTED, SOLD AND CONVEYED and by these presents do GRANT, SELL AND CONVEY unto CITY OF LOCKHART, TEXAS, P.O. Box 239, Lockhart, Texas, 78644, a municipal corporation, a right of way and easement upon and across the following described property of the Grantors, to-wit:

BEING a strip of land ten feet (10') in width, located along the entire Southern property line of the following described tract of land, to-wit:

All that certain tract, lot or parcel of land situated in Caldwell County, Texas, part of the Byrd Lockhart League and being part of Lot No. 2 in Block No. 48 in the City of Lockhart and

BEGINNING at a stake set on the East line of Elm Street, the Northwest corner of a tract conveyed by Amos G. Rogan, et al, to Hazel Jolley, by deed dated November 12, 1954, recorded in Volume 256, Page 489, of the Caldwell County Deed Records;

THENCE North 10 West along the East line of Elm Street 75 feet to the Southwest corner of a tract conveyed by B. E. Rogan to Bob Moussi by deed dated December 7, 1923, recorded in Volume 89, Page 373, of the Deed Records of Caldwell County, Texas;

THENCE North 80 East with the South line of said Moussi tract 199 feet to the Northwest corner of a tract conveyed by E. C. Rogan, et al, to Sallie B. Lay by deed dated June 15, 1940, recorded in Volume 197, Page 29, of the Caldwell County Deed Records;

THENCE South 10 East 75 feet to stake for the Southeast corner of this tract;

THENCE South 80 West 199 feet, (the last 100 thereof being along the North line of the Hazel Jolley tract) to the PLACE OF BEGINNING. Being the same land as described in a deed from Amos G. Rogan, et al, to Mary Tannos, a feme sole, and Joe Tannos, dated October 28, 1959, recorded in Volume 282, Page 13, Deed Records of Caldwell County, Texas.

The right of way, easement, rights and privileges herein granted shall be used only for the purpose of placing, constructing, operating, repairing, maintaining, rebuilding, replacing, relocating and removing an underground sewer line.

The right of way, easement, rights and privileges herein granted shall be for so long as Grantee, its successors and assigns, shall operate an underground sewer line within said easement. Grantors hereby bind themselves, their heirs and assigns, to warrant and forever defend the above described easement and rights unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

It is understood and agreed by and between Grantors and Grantee that the exact location of the easement herein granted shall be as follows:

The South line of the ten foot (10') wide easement shall be the South property line of the above described tract and the North line of said easement shall be ten feet (10') North of and parallel to said South property line.

It is further understood and agreed between Grantors and Grantee that this Underground Sewer Line Easement is subject to the condition that Grantee shall at all times after doing any work in connection with the construction, reconstruction or repair of said underground sewer line or any appurtenances thereto, restore said premises to the condition in which same were found before such work was undertaken, and that in the use of said rights and privileges herein granted, Grantee shall not create a nuisance or do any act that will be detrimental to said premises.

EXECUTED this the 23rd day of May, A.D., 1989.

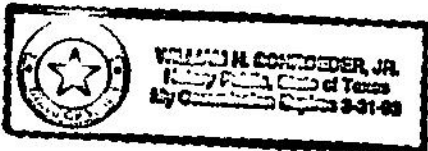
Mary Tannos
Mary Tannos

Joe Tannos
Joe Tannos

THE STATE OF TEXAS §
COUNTY OF CALDWELL §

Before me, the undersigned authority, on this day personally appeared MARY TANNOS, a widow, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

~~MAY~~ ^{JUNE} GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 8th day of JUNE, A. D., 1989.



William H. Schneider, Jr.
Notary Public in and for
the State of Texas.

Comm. expires: _____

THE STATE OF TEXAS §
COUNTY OF GALVESTON §

Before me, the undersigned authority, on this day personally appeared JOE TANNOS, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 23rd day of MAY, A. D., 1989.

Susan Sensat
Notary Public in and for
the State of Texas.

Comm. expires: 11-08-90

Any provision herein which restricts the sale rental or use of the described real property because of color or race is invalid and unenforceable under Federal Law
STATE OF TEXAS
COUNTY OF CALDWELL
I hereby certify that this instrument was FILED in the Public Records on the date and the time stamped herein by me and was duly RECORDED in the Official Public records of Real Property at Caldwell County, Texas on

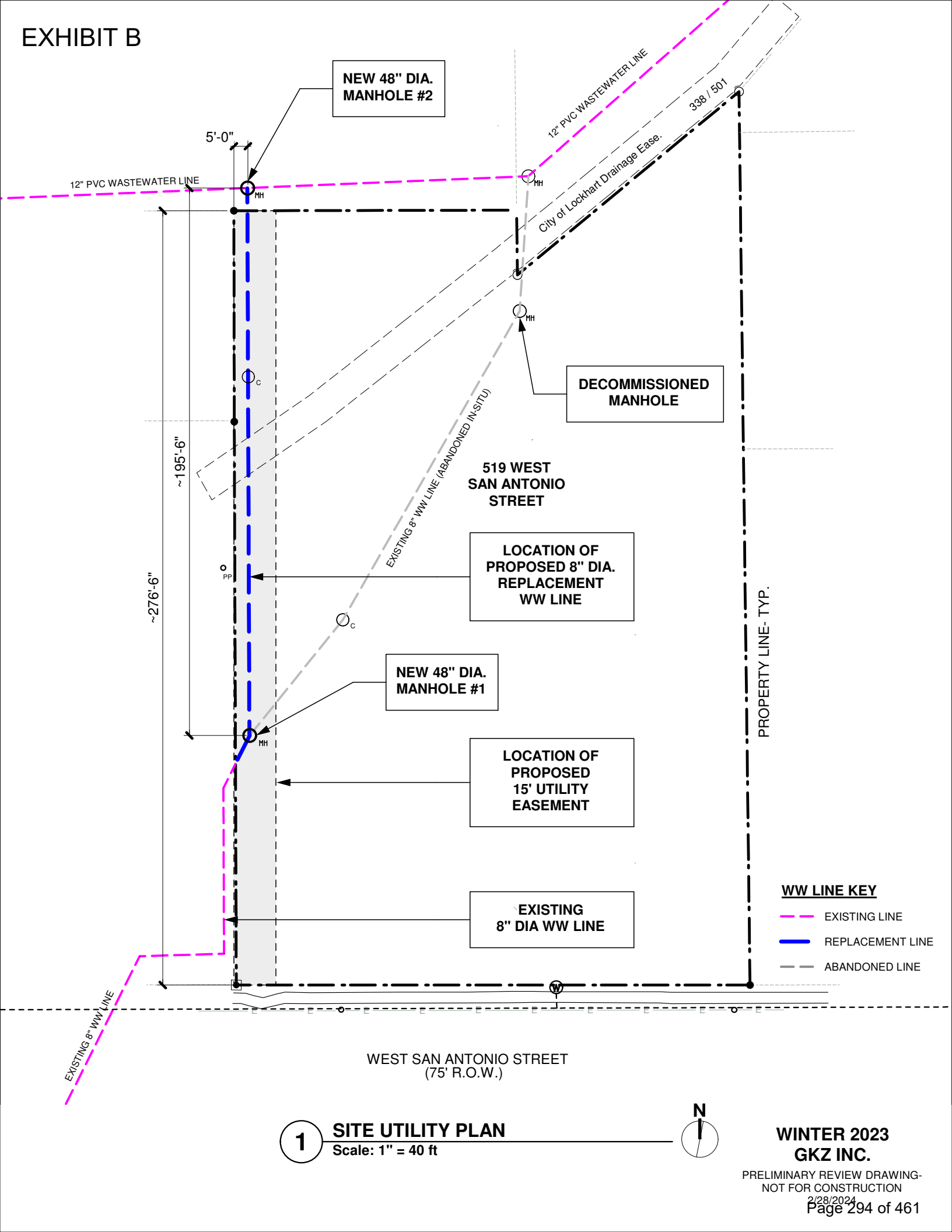
FILED this 9th day of JUNE 1989
8:55 a.m.
NINA S. SELLS
CLERK, COUNTY COURT, CALDWELL CO., TEX
By Julma Kake Deputy



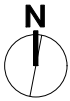
JUN 12 1989

Nina S. Sells
COUNTY CLERK
CALDWELL COUNTY, TEXAS

EXHIBIT B



1 SITE UTILITY PLAN
Scale: 1" = 40 ft



**WINTER 2023
GKZ INC.**

PRELIMINARY REVIEW DRAWING-
NOT FOR CONSTRUCTION



Dec 7, 2023

To: City of Lockhart

Re: Sewer Line Proposal for 519 San Antonio St, Lockhart

No Plans available at time of proposal

Option 1

\$25,230.00 New Sanitary Sewer Line down property line/proposed easement

- A. 190 LF of 8" SDR 26 HW PVC Sewer Line, bedded in 57 gravel
- B. 1 6" Cleanout
- C. 2 48" Precast Sewer/Wastewater Manhole
- D. Tie into existing onsite sewer line
- E. Haul off excavated spoils

Option 2

\$20,824.00 Replace existing 250 LF of 8" Sanitary Sewer Line

- A. 250 LF of 8" SDR 26 HW PVC Sewer Line tied into existing Manholes, bedded in 57 gravel
- B. 1 6" cleanout
- C. Haul off old pipe & excavated spoils.

Credit \$834.00 if 6" SDR 26 HW installed in-lieu of 8" SDR 26 PVC HW pipe.

Exclusions

- A. Manhole Coating
- B. Re Vegetation/Hydro Seeding

Thanks

Chris Martin

Nighthawk Construction

512-213-5391

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 19, 2024

AGENDA ITEM CAPTION: Discuss Interlocal Cooperation Contract with Texas Department of Public Safety for the Failure to Appear Program (OMNI base.)

ORIGINATING DEPARTMENT AND CONTACT: Municipal Court - Erin Westmoreland

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: The current contract with the Department of Public Safety was signed in February of 2020. This contract allows the court to add and collect \$10 on cases that went into the OMNI system. This program allows the court to put a hold on and prevent offenders from renewing their drivers license until they complete their obligations with the court.

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:

LIST OF SUPPORTING DOCUMENTS: Interlocal contract with DPS 2024, Interlocal contract with DPS 2020

Interlocal Cooperation Contract Failure to Appear Program

State of Texas

County of _____

I. PARTIES AND AUTHORITY

This Interlocal Cooperation Contract (Contract) is entered into between the Department of Public Safety of the State of Texas (DPS), an agency of the State of Texas and the _____ Court of the [City or County] of _____ (Court), a political subdivision of the State of Texas, referred to collectively in this Contract as the Parties, under the authority granted in Tex. Transp. Code Chapter 706 and Tex. Gov't Code Chapter 791 (the Interlocal Cooperation Act).

II. BACKGROUND

A peace officer authorized to issue citations within the jurisdiction of the Court must issue a written warning to each person to whom the officer issues a citation for a traffic law violation. This warning must be provided in addition to any other warnings required by law. The warning must state in substance that if the person fails to appear in court for the prosecution of the offense or if the person fails to pay or satisfy a judgment ordering the payment of a fine and cost in the manner ordered by the Court, the person may be denied renewal of the person's driver license.

As permitted under Tex. Transp. Code § 706.008, DPS contracts with a private vendor (Vendor) to provide and establish an automated Failure to Appear (FTA) system that accurately stores information regarding violators subject to the provisions of Tex. Transp. Code Chapter 706. DPS uses the FTA system to properly deny renewal of a driver license to a person who is the subject of an FTA system entry generated from an FTA Report.

An FTA Report is a notice sent by Court requesting a person be denied renewal of a driver's license in accordance with this Contract. The Court may submit an FTA Report to DPS's Vendor if a person fails to appear or fails to pay or satisfy a judgment as required by law. There is no requirement that a criminal warrant be issued in response to the person's failure to appear.

III. PURPOSE

This Contract applies to each FTA Report submitted by the Court to DPS or its Vendor and accepted by DPS or its Vendor.

IV. PERIOD OF PERFORMANCE

This Contract will be effective on the date of execution and terminate five years from that execution date unless terminated earlier in accordance with Section VII.C, *General Terms and Conditions, Termination*.

V. COURT RESPONSIBILITIES

A. FTA Report

For a matter involving any offense which a Court has jurisdiction of under Tex. Code Crim. Proc. Chapter 4, where a person fails to appear for a complaint or citation or fails to pay or

satisfy a judgment ordering payment of a fine and cost in the manner ordered by the Court, the Court will supply DPS, through its Vendor, an FTA report including the information that is necessary to deny renewal of the driver license of that person. The Court must make reasonable efforts to ensure that all FTA Reports are accurate, complete, and non-duplicative. The FTA Report must include the following information:

1. the jurisdiction in which the alleged offense occurred;
2. the name of the court submitting the report;
3. the name, date of birth, and Texas driver license number of the person who failed to appear or failed to pay or satisfy a judgment;
4. the date of the alleged violation;
5. a brief description of the alleged violation;
6. a statement that the person failed to appear or failed to pay or satisfy a judgment as required by law;
7. the date that the person failed to appear or failed to pay or satisfy a judgment; and
8. any other information required by DPS.

B. Clearance Reports

The Court that files the FTA Report has a continuing obligation to review the FTA Report and promptly submit appropriate additional information or reports to the Vendor. The clearance report must identify the person, state whether or not a fee was required, and advise DPS to lift the denial of renewal and state the grounds for the action. All clearance reports must be submitted immediately, but no later than two business days from the time and date that the Court receives appropriate payment or other information that satisfies the person's obligation to that Court.

To the extent that a Court uses the FTA system by submitting an FTA Report, the Court must collect the statutorily required \$10.00 reimbursement fee from the person who failed to appear, pay or satisfy a judgment ordering payment of a fine and cost in the manner ordered by the Court. If the person is acquitted of the underlying offense for which the original FTA Report was filed or found indigent by the court, the Court will not require payment of the reimbursement fee.

Court must submit a clearance report for the following circumstances:

1. the perfection of an appeal of the case for which the warrant of arrest was issued or judgment arose;
2. the dismissal of the charge for which the warrant of arrest was issued or judgment arose;
3. the posting of a bond or the giving of other security to reinstate the charge for which the warrant was issued;
4. the payment or discharge of the fine and cost owed on an outstanding judgment of the Court; or
5. other suitable arrangement to satisfy the fine and cost within the Court's discretion.

After termination of the Contract, the Court has a continuing obligation to report dispositions and collect fees for all violators in the FTA system at the time of termination. Failure to comply with the continuing obligation to report will result in the removal of all outstanding entries of the Court in the FTA Report, resulting in the lifting of any denied driver license renewal status from DPS.

C. Quarterly Reports and Audits

Court must submit quarterly reports to DPS in a format established by DPS.

Court is subject to audit and inspection at any time during normal business hours and at a mutually agreed upon location by the state auditor, DPS, and any other department or agency, responsible for determining that the Parties have complied with the applicable laws. Court must provide all reasonable facilities and assistance for the safe and convenient performance of any audit or inspection.

Court must correct any non-conforming transactions performed by the Court, at its own cost, until acceptable to DPS.

Court must keep all records and documents regarding this Contract for the term of this Contract and for seven years after the termination of this Contract, or until DPS or the State Auditor's Office (SAO) is satisfied that all audit and litigation matters are resolved, whichever period is longer.

D. Accounting Procedures

Court must keep separate, accurate, and complete records of the funds collected and disbursed and must deposit the funds in the appropriate municipal or county treasury. Court may deposit such fees in an interest-bearing account and retain the interest earned on such accounts for the Court.

Court will allocate \$6.00 of each \$10.00 reimbursement fee received for payment to the Vendor and \$4.00 for credit to the general fund of the municipal or county treasury.

E. Non-Waiver of Fees

Court will not waive the \$10.00 reimbursement fee for any person that has been submitted on an FTA Report, unless any of the requirements in Tex. Trans. Code § 706.006(a) or §706.006(d) are met.

Failure to comply with this section will result in: (i) termination of this Contract for cause; and (ii) the removal of all outstanding entries of the Court in the FTA Report, resulting in the lifting of any denied driver license renewal status from DPS.

F. Litigation Notice

The Court must make a good-faith attempt to immediately notify DPS in the event that the Court becomes aware of litigation in which this Contract or Tex. Transp. Code Chapter 706 is subject to constitutional, statutory, or common-law challenge, or is struck down by judicial decision.

VI. DPS's RESPONSIBILITIES

DPS will not continue to deny renewal of the person's driver license after receiving notice from the Court that the FTA Report was submitted in error or has been destroyed in accordance with the Court's record retention policy.

VII. PAYMENTS TO VENDOR

Court must pay the Vendor a fee of \$6.00 per person for each violation that has been reported to the Vendor and for which the Court has subsequently collected the statutorily required \$10.00 reimbursement fee. In the event that the fee has been waived by Tex. Trans. Code § 706.006(a) or §706.006(d), no payment will be made to the Vendor.

Court agrees that payment will be made to the Vendor no later than the last day of the month following the close of the calendar quarter in which the payment was received by the Court.

DPS will not pay Vendor for any fees that should have been submitted by a Court.

VIII. GENERAL TERMS AND CONDITIONS

- A. **Compliance with Law.** This Contract is governed by and construed under and in accordance with the laws of the State of Texas. The Court understands and agrees that it will comply with all local, state, and federal laws in the performance of this Contract, including administrative rules adopted by DPS.
- B. **Notice.** The respective party will send the other party notice as noted in this section. Either party may change its information by giving the other party written notice and the effective date of the change.

Court	Department of Public Safety
Attn.:	Enforcement & Compliance Service
Address:	5805 North Lamar Blvd., Bldg A
Address:	Austin, Texas 78752-0001
Fax:	(512) 424-5311 [fax]
Email:	Driver.Improvement@dps.texas.gov
Phone:	(512) 424-7172

C. Termination.

Either party may terminate this Contract with 30 days' written notice.

DPS may also terminate this Contract for cause if Court doesn't comply with Section V.C., *Quarterly Reports and Audits* and V.E., *Non- Waiver of Fees*.

If either Party is subject to a lack of appropriations that are necessary for that Party's performance of its obligations under this Contract, the Contract is subject to immediate cancellation or termination, without penalty to either Party.

D. Amendments.

This contract may only be amended by mutual written agreement of the Parties.

E. Miscellaneous.

1. The parties shall use the dispute resolution process provided for in Chapter 2260 of the Texas Government Code to resolve any disputes under this Contract; provided

however nothing in this paragraph shall preclude either Party from pursuing any remedies available under Texas law.

- 2. This Contract shall not constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to either Party or the State of Texas.
- 3. Any alterations, additions, or deletions to the terms of the contract that are required by changes in federal or state law or regulations are automatically incorporated into the contract without written amendment hereto, and shall become effective on the date designated by such law or by regulation.

CERTIFICATIONS

The Parties certify that (1) the Contract is authorized by the governing body of each party; (2) the purpose, terms, rights, and duties of the Parties are stated within the Contract; and (3) each party will make payments for the performance of governmental functions or services from current revenues available to the paying party.

The undersigned signatories have full authority to enter into this Contract on behalf of the respective Parties.

Court*	Department of Public Safety
_____	_____
Authorized Signatory	Driver License Division Chief or Designee

Title	

Date	Date
_____	_____

*An additional page may be attached if more than one signature is required to execute this Contract on behalf of the Court. Each signature block must contain the person’s title and date.

RECEIVED
MAR 25 2020

DPS # DLD20180628 (Revised 01/2020)

BY: KH

Interlocal Cooperation Contract
Failure to Appear (FTA) Program

State of Texas

County of Caldwell

RECEIVED

MAR 10 2020

Enforcement & Compliance

I. PARTIES AND AUTHORITY

This Interlocal Cooperation Contract (Contract) is entered into between the Department of Public Safety of the State of Texas (DPS), an agency of the State of Texas and the Lockhart Municipal Court of the [City or County] of Lockhart (Court), a political subdivision of the State of Texas, referred to collectively in this Contract as the Parties, under the authority granted in Tex. Transp. Code Chapter 706 and Tex. Gov't Code Chapter 791 (the Interlocal Cooperation Act).

II. BACKGROUND

As permitted under Tex. Transp. Code § 706.008, DPS contracts with a private vendor (Vendor) to provide and establish an automated FTA system that accurately stores information regarding violators subject to the provisions of Tex. Transp. Code Chapter 706. DPS uses the FTA system to properly deny renewal of a driver license to a person who is the subject of an FTA system entry.

III. PURPOSE

This Contract applies to each FTA Report submitted by the Court to DPS or its Vendor and accepted by DPS or its Vendor.

Court will supply information to DPS, through its Vendor, that is necessary to deny renewal of the driver license of a person who fails to appear for a complaint or citation or fails to pay or satisfy a judgment ordering payment of a fine and cost in the manner ordered by the Court in a matter involving any offense that Court has jurisdiction of under Tex. Code Crim. Proc. Chapter 4.

IV. PERIOD OF PERFORMANCE

This Contract will be effective on the date of execution and will automatically renew on the anniversary date of execution for up to three additional years unless terminated earlier.

V. COURT RESPONSIBILITIES

A. Written warnings

A peace officer authorized to issue citations within the jurisdiction of the Court must issue a written warning to each person to whom the officer issues a citation for a traffic law violation. This warning must be provided in addition to any other warnings required by law. The warning must state in substance that if the person fails to appear in court for the prosecution of the offense or if the person fails to pay or satisfy a judgment ordering the payment of a fine and cost in the manner ordered by the Court, the person may be denied

renewal of the person's driver license. The written warning may be printed on the citation or on a separate instrument.

B. FTA Report

An FTA Report is a notice sent by Court requesting a person be denied renewal in accordance with this Contract. The Court may submit an FTA Report to Vendor if a person fails to appear or fails to pay or satisfy a judgment as required by law. There is no requirement that a criminal warrant be issued in response to the person's failure to appear. The Court must make reasonable efforts to ensure that all FTA Reports are accurate, complete, and non-duplicative. The FTA Report must include the following information:

1. the jurisdiction in which the alleged offense occurred;
2. the name of the court submitting the report;
3. the name, date of birth, and Texas driver license number of the person who failed to appear or failed to pay or satisfy a judgment;
4. the date of the alleged violation;
5. a brief description of the alleged violation;
6. a statement that the person failed to appear or failed to pay or satisfy a judgment as required by law;
7. the date that the person failed to appear or failed to pay or satisfy a judgment; and
8. any other information required by DPS.

C. Clearance Reports

The Court that files the FTA Report has a continuing obligation to review the FTA Report and promptly submit appropriate additional information or reports to the Vendor. The clearance report must identify the person, state whether or not a fee was required, and advise DPS to lift the denial of renewal and state the grounds for the action. All clearance reports must be submitted immediately, but no later than two business days, from the time and date that the Court receives appropriate payment or other information that satisfies the person's obligation to that Court.

To the extent that a Court uses the FTA system by submitting an FTA Report, the Court must collect the statutorily required \$10.00 reimbursement fee. If the person is acquitted of the underlying offense for which the original FTA Report was filed, the Court will not require payment of the reimbursement fee.

Court must submit a clearance report for the following circumstances:

1. the perfection of an appeal of the case for which the warrant of arrest was issued or judgment arose;
2. the dismissal of the charge for which the warrant of arrest was issued or judgment arose;
3. the posting of a bond or the giving of other security to reinstate the charge for which the warrant was issued;
4. the payment or discharge of the fine and cost owed on an outstanding judgment of the Court; or

5. other suitable arrangement to pay the fine and cost within the Court's discretion.

DPS will not continue to deny renewal of the person's driver license after receiving notice from the Court that the FTA Report was submitted in error or has been destroyed in accordance with the Court's record retention policy.

D. Quarterly Reports and Audits

Court must submit quarterly reports to DPS in a format established by DPS.

Court is subject to audit and inspection at any time during normal business hours and at a mutually agreed upon location by the state auditor, DPS, and any other department or agency, responsible for determining that the Parties have complied with the applicable laws. Court must provide all reasonable facilities and assistance for the safe and convenient performance of any audit or inspection.

Court must correct any non-conforming transactions performed by the Court, at its own cost, until acceptable to DPS.

Court must keep all records and documents regarding this Contract for the term of this Contract and for seven years after the termination of this Contract.

E. Accounting Procedures

Court must keep separate, accurate, and complete records of the funds collected and disbursed and must deposit the funds in the appropriate municipal or county treasury. Court may deposit such fees in an interest-bearing account and retain the interest earned on such accounts for the Court.

Court will allocate \$6.00 of each \$10.00 reimbursement fee received for payment to the Vendor and \$4.00 for credit to the general fund of the municipal or county treasury.

F. Non-Waiver of Fees

Court will not waive the \$10.00 reimbursement fee for any person that has been submitted on an FTA Report, unless the person is deemed to be indigent, or the person is acquitted of the charges for which the person failed to appear.

Failure to comply with this section will result in: (i) termination of this Contract for cause; and (ii) the removal of all outstanding entries of the Court in the FTA Report, resulting in the lifting of any denied driver license renewal status from DPS.

G. Litigation Notice

The Court must make a good-faith attempt to immediately notify DPS in the event that the Court becomes aware of litigation in which this Contract or Tex. Transp. Code Chapter 706 is subject to constitutional, statutory, or common-law challenge, or is struck down by judicial decision.

VI. PAYMENTS TO VENDOR

Court must pay the Vendor a fee of \$6.00 per person for each violation which has been reported to the Vendor and for which the Court has subsequently collected the statutorily required \$10.00 reimbursement fee. In the event that the person has been acquitted of the underlying charge or is indigent, no payment will be made to the Vendor or required of the Court.

Court agrees that payment will be made to the Vendor no later than the last day of the month following the close of the calendar quarter in which the payment was received by the Court.

DPS will not pay Vendor for any fees collected by Court.

VII. GENERAL TERMS AND CONDITIONS

- A. Compliance with Law.** The Court understands and agrees that it will comply with all local, state, and federal laws in the performance of this Contract, including administrative rules adopted by DPS.
- B. Contract Amendment.** DPS and Court may amend this Contract through a written amendment signed by an authorized signatory on behalf of the respective party.
- C. Notice.** The respective party will send the other party notice as noted in this section.

Court	Department of Public Safety
Attn.:	Enforcement & Compliance Service
Address:	5805 North Lamar Blvd.
Address:	Austin, Texas 78752-0001
Fax:	(512) 424-5311 [fax]
Email:	Driver.Improvement@dps.texas.gov
Phone:	(512) 424-7172

- D. Termination.** Either party may terminate this Contract with 30 days' written notice. DPS may also terminate this Contract for cause if Court doesn't comply with Section V.F., *Non-Waiver of Fees*. After termination, the Court has a continuing obligation to report dispositions and collect fees for all violators in the FTA system at the time of termination. Failure to comply with the continuing obligation to report will result in the removal of all

outstanding entries of the Court in the FTA Report, resulting in the lifting of any denied driver license renewal status from DPS.

VIII. CERTIFICATIONS

The Parties certify that (1) the Contract is authorized by the governing body of each party; (2) the purpose, terms, rights, and duties of the Parties are stated within the Contract; and (3) each party will make payments for the performance of governmental functions or services from current revenues available to the paying party.

The undersigned signatories have full authority to enter into this Contract on behalf of the respective Parties.

Court*

Department of Public Safety

Jim White

Reinda Bolene

Authorized Signature

Driver License Division Chief or Designee

Mayor

Title

3-18-2020

Date

Date

*An additional page may be attached if more than one signature is required to execute this Contract on behalf of the Court. Each signature block must contain the person's title and date.

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 19, 2024

AGENDA ITEM CAPTION: Discuss agreement with Techline Construction, LLC for Project 5B as part of the City of Lockhart's five-year System Study and Capital Plan as prepared by the Lower Colorado River Authority (LCRA).

ORIGINATING DEPARTMENT AND CONTACT: Electric - Bobby Leos

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: Techline Construction is the Lower Colorado River Authority's (LCRA) preferred contractor for projects because they are experienced with high voltage line repairs. Techline has conducted the majority of LCRA projects for the City of Lockhart since 1995.

Project #5B is a "System Rehabilitation" project and part of the LCRA's five-year system study that will replace single strand copper conductor. These conductors have been shown to become brittle and break with age, causing outages. Project #5B will rebuild approximately 3,200 ft of power line on circuit LK30, along Pecos from Ash and connecting to circuit LK20 at China. Project 5A was approved at the January 2, 2024 Council meeting and near completion. Project 5C is anticipated to be completed in 2024. The project will begin in the second quarter of 2024 with an estimated completion date of the third quarter of 2024. Labor for Project #5B is an estimated total of \$215,200.00, and not to exceed \$221,000.00.

PROJECT SCHEDULE (if applicable): N/A

AMOUNT & SOURCE OF FUNDING:

Funds Required: 221,000.00

Account Number: 500-5745-911

Funds Available: 221,000.00

Account Name: Construction/Project Improvement

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Electric Superintendent recommends approval.

City of Lockhart, Texas

Council Agenda Item

Cover Sheet

LIST OF SUPPORTING DOCUMENTS: Proj. 5B ELEC. DIST. CONST. AGREEMENT,
project 5B Labor Travel Equipment

ELECTRICAL DISTRIBUTION CONSTRUCTION AGREEMENT

This **ELECTRICAL DISTRIBUTION CONSTRUCTION AGREEMENT** (“**Agreement**”) is entered into by and between the City of Lockhart, Texas (“**Owner**”) and Techline Construction, LLC (“**Contractor**”) and is effective as of the date of the signature of the last party to sign below (the “**Effective Date**”).

1. Contract Documents. This Agreement includes the following Contract Documents which shall be construed in the order of precedence in which they are listed:

1. This Agreement;
2. Exhibit A – LCRA Construction Drawings (complete title), LK30 Pecos St upgrade;
3. Exhibit B – Contract No. 5045 Distribution Construction Services between the Lower Colorado River Authority and Techline Construction, LLC, dated October 1, 2018; and
4. Exhibit C – Proposal by Techline Construction, LLC to the City of Lockhart dated _____, 2024, containing the estimate for the total cost of labor and equipment to complete the LK30 Pecos St upgrade;

Exhibits A, B, and C which are attached hereto and incorporated herein, are made a part of this Agreement for all purposes. Contractor agrees to provide Owner with the services included in Exhibits pursuant to the terms and conditions of this Agreement, including all exhibits thereto.

2. Scope. Contractor shall furnish all labor, construction equipment, transportation, subcontracting, and other required services, other than engineering services, to complete the work described in the Contract Documents, specifications, and Construction Drawings (the “**Work**”). Contractor agrees to perform the Work under the same terms and conditions and pricing contained in the Contract Documents. Contractor agrees, no hot work shall be performed without foreman on site. All orders and payments for the Work will be issued directly from Owner to Contractor, and Contractor will provide the services and associated invoices directly to Owner. Contractor shall not provide any additional items or services or bill for expenses incurred for Owner not specified by this Agreement unless Owner requests and approves in writing the additional costs for such services. Owner shall not be liable for any additional expenses of Contractor not specified by this Agreement unless Owner first approves such expenses in writing.

3. Compensation. Owner agrees to pay the Contractor in accordance with the prices listed in the proposal attached to the Contract Documents, estimated to be \$215,200.00 and not to exceed \$221,000.00, and in any change orders executed by the parties.

4. Term. The term of this Agreement shall be for one year beginning on the Effective Date and ending one calendar year thereafter. Owner shall be able to renew this agreement for two one-year renewal options by written agreement of the parties.

5. Independent Contractor. This Agreement shall not be construed to create a partnership, joint venture, nor other agency relationship between the parties, who are independent of one

another. The relationship of the Contractor to Owner is and shall continue to be that of an independent contractor, and no liability or benefits such as workers' compensation, pension rights or liabilities, insurance rights or liabilities, arising out of or related to an employer/employee relationship, shall arise, or accrue to either party or either party's agent, subcontractor or employee, as a result of this Agreement or its performance. No relationship, other than that of independent contractor, shall be implied between the parties or between either party and the other party's agent, employee, or subcontractor, and the Contractor hereby agrees to hold Owner harmless from any such claims by it or its associates, and any cost or expense related thereto.

6. LCRA. LCRA is not a party to, and will in no way be responsible to either Owner or Contractor for, such orders, including without limitation any payments, performance, costs, expenses, losses or damages arising from such transactions between Contractor and Owner. Owner and Contractor releases LCRA from any liability associated with Owner's transactions under the Agreement.

7. Notices. Notices required pursuant to the provisions of this Agreement shall be conclusively determined to have been delivered when (1) hand-delivered to the other party, its agents, employees, servants or representatives, (2) delivered by facsimile with electronic confirmation of the transmission, or (3) received by the other party by United States Mail, registered, return receipt requested, addressed as follows:

City of Lockhart
Attn: City Manager
308 W. San Antonio St.
Lockhart, TX 78644

Techline
Attn: President
9609 Beck Circle
Austin, TX 78758

8. Default. In the event of a failure by Contractor to satisfactorily perform the services specified herein and/or a default by Contractor in abiding by the other terms and conditions of this Agreement, Owner may terminate the Agreement on written notice to Contractor and Contractor shall be liable for all damages, costs, and expenses (including attorney fees) incurred by Owner related to this default.

9. Alternative Dispute Resolution. The dispute resolution process provided for in Chapter 154 of the Texas Civil Practice and Remedies Code may be used, by Owner and Contractor to attempt to resolve any claim for breach of contract made by Contractor, to the extent it is applicable to the Agreement and not preempted by other law. Except as otherwise provided by law, nothing herein is a waiver by Owner of the right to seek redress in a court of law.

10. Assignment. The parties recognize that this contract is based upon the skill and expertise of the parties and therefore agree that the contract and the obligations thereunder may not be assigned

or delegated without the written consent of the other party, except as expressly allowed by this contract.

11. Compliance with Law. Contractor shall certify that he/she or it is in compliance with all applicable state and federal laws, including non-discrimination laws as it relates to the terms and conditions of the agreement.

12. Non-Appropriations. To the extent this contract constitutes public debt in connection with Article 11, Sec. 5 of the Texas Constitution, Contractor understands that Owner is a governmental entity, and should the Owner fail to provide funding for any period during the term of this contract, Owner shall be excused for all liability for payment. Owner is required to give Contractor written notice within thirty (30) days after learning that the funds will not be available. Upon receiving written notice from Owner, this contract will automatically terminate.

13. Governing Law/Venue/Statute of Limitations. The validity of this Agreement and the interpretation of its terms and the applicable statute of limitations for any cause of action brought by or against Owner pursuant to the Agreement shall be governed by the laws of the State of Texas. Jurisdiction for any legal proceedings incident to this agreement shall lie in Caldwell County, Texas or a United States District Court within the county.

14. Force Majeure. In the event of Force Majeure, Owner may terminate this agreement by written notice following such casualty and Owner shall not be responsible for any damages sustained by Contractor. Force Majeure shall mean fire, earthquake, flood, tornado, act of God, strikes or other labor disturbances, riots or civil commotion, litigation, terrorism, war or other acts of any foreign nation, power of government or government agency or authority, or any other cause like or unlike any cause above-mentioned which is beyond the control or authority of Owner.

15. Confidentiality. Subject to the Texas Public Information Act and any similar legal requirements, neither Party shall disclose any confidential information obtained from the other Party without such Party's prior written approval.

16. INDEMNIFICATION. CONTRACTOR SHALL INDEMNIFY, HOLD HARMLESS, AND DEFEND THE OWNER, ITS OFFICERS, AGENTS AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS, DEMANDS, PROCEEDINGS, COSTS, AND LIABILITIES OF EVERY KIND, INCLUDING WITHOUT LIMITATION ALL EXPENSES OF LITIGATION, COURT COSTS, AND ATTORNEYS' FEES, FOR INJURY TO OR DEATH OF ANY PERSON OR FOR DAMAGE TO ANY PROPERTY ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM ANY ACTS OR OMISSIONS OF CONTRACTOR OR ANY AGENT, EMPLOYEE, SUBCONTRACTOR, OR SUPPLIER OF CONTRACTOR IN THE EXECUTION OR PERFORMANCE OF THIS CONTRACT. SUCH INDEMNITY SHALL APPLY REGARDLESS OF WHETHER THE CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS OR LIABILITY ARISE IN WHOLE OR IN PART FROM THE NEGLIGENCE OF THE OWNER, ANY OTHER PARTY INDEMNIFIED HEREUNDER, THE CONTRACTOR, OR ANY THIRD PARTY.

17. Insurance. For the entire term of the Agreement (“Term”), Contractor shall maintain at his/her sole cost, at all times while performing work hereunder, the insurance and bond coverage set forth below with companies satisfactory to the Owner with full policy limits applying, but not less than stated. A certificate of insurance evidencing the required insurance and specifically citing the indemnification provision set forth in the Agreement shall be delivered to the Owner prior to the start of work.

- (1) Worker’s Compensation Insurance as required by laws and regulations applicable to and covering employees of Contract engaged in the performance of the work under this agreement with a limit of not less than \$1,000,000.00;
- (2) Employers Liability Insurance protecting contractor against common law liability, in the absence of statutory liability, for employee bodily injury arising out of the master-servant relationship with a limit of not less than \$1,000,000.00.
- (3) Comprehensive General Liability Insurance including products/completed operation with limits of liability of not less than: Bodily Injury \$1,000,000.00 per each person, \$1,000,000.00 per each occurrence/\$2,000,000.00 aggregate; Property Damage \$1,000,000.00 per each occurrence;
- (4) Excess Liability Insurance Comprehensive General Liability, Comprehensive Automobile Liability and coverages afforded by the policies above, with the minimum limits of \$2,000,000.00 excess of specified limits;

All policies must contain a waiver of subrogation against Owner. Comprehensive General Liability and Commercial Automobile Liability policies must name Owner as Additional Insured. Contractor shall pay all insurance deductibles and deductibles must not exceed \$10,000 unless approved in advance by Owner. Contractor shall provide Owner Certificates of Insurance evidencing these insurance requirements prior to the start of work.

18. Audit; Independent Audits; Right to Audit; Retention; Supporting Documents. The Contractor agrees and authorizes Owner and/or the Owner’s Auditor (collectively, “Auditor”) to conduct audits or investigations in connection with this Agreement. Contractor agrees to cooperate with Auditors conducting such audits or Investigations and to provide all information and documents reasonably requested.

19. Limitations. The Parties are aware that there are constitutional and statutory limitations on the authority of Owner to enter into certain terms and conditions of the Agreement, including, but not limited to, those terms and conditions relating to liens on Owner’s property; disclaimers and limitations of warranties; disclaimers and limitations of liability for damages; waivers, disclaimers and limitations of legal rights, remedies, requirements and processes; limitations of periods to bring legal action; granting control of litigation or settlement to another party; liability for acts or omissions of third parties; payment of attorneys’ fees; dispute resolution; indemnities; and confidentiality (collectively, the “Limitations”), and terms and conditions related to the Limitations will not be binding on Owner except to the extent authorized by the laws and Constitution of the State of Texas.

20. Sovereign Immunity. Except as otherwise provided by Texas law, neither the execution of the Agreement by Owner nor any other conduct, action or inaction of any Owner representative relating to the Agreement is a waiver of sovereign immunity by Owner.

21. Representations by Contractor. Contractor represents and warrants that it will obtain and maintain in effect, and pay the cost of all licenses, permits or certifications that may be necessary for Contractor's performance of this Agreement other than approval to cross state or interstate highways and railroads, which shall be the responsibility of Owner. If Contractor is a business entity, Contractor warrants, represents, covenants, and agrees that it is duly organized, validly existing and in good standing under the laws of the state of its incorporation; and is duly authorized and in good standing to conduct business in the State of Texas, that it has all necessary power and has received all necessary approvals to execute and deliver the Agreement and is authorized to execute this Agreement according to its terms on behalf of Contractor.

22. Eligibility to Receive Payment. Contractor certifies that, as a matter of State law, it is not ineligible to receive the Agreement and payments pursuant to the Agreement and acknowledges that the Agreement may be terminated, and payment withheld if this representation is inaccurate.

23. Risk of Loss. All work performed by Contractor pursuant to the Agreement will be at Contractor's exclusive risk until final and complete acceptance of the work by Owner. In the case of any loss or damage to the work prior to Owner's acceptance, such loss or damage will be Contractor's responsibility.

24. Legal Construction/Severability. In the event that any one or more of the provisions contained in this contract shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision, and this contract shall be construed as if such invalid, illegal or unenforceable provisions had never been contained in it. To this end, the provisions of this contract are declared to be severable. The Parties may mutually agree to renegotiate the contract to cure such illegality/invalidity or unconstitutionality if such may be reasonably accomplished.

25. Non-Waiver. No covenant or condition of this Agreement may be waived except by written consent of the waiving party. Forbearance or indulgence by one party in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by the other party.

26. Entire Agreement. The Contract Documents constitutes the entire agreement and supersedes all prior or contemporaneous agreements, whether written or oral, between the parties. Verbal representations not contained herein shall not be binding on the parties unless acknowledged by them in writing.

27. Authority. The person signing below on behalf of Owner and Contractor warrants that he/she has the authority to execute this contract according to its terms.

28. Amendment. This Agreement may be changed, amended, modified, extended or assigned only by mutual consent of the parties provided that consent shall be in writing and executed by the parties hereto prior to the time such change shall take effect.

29. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, City and Contractor, by and through their duly authorized officers and Representatives, have executed this Agreement as of the date first above written.

CITY OF LOCKHART

TECHLINE CONSTRUCTION, LLC

Lew White, Mayor

Date:_____

Don Lawyer, President

Date:_____

Attest:

Julie Bowermon, City Secretary

Date:_____



9609 BECK CIRCLE
AUSTIN, TEXAS 78758
DON LAWYER (903) 603-6260

February 27, 2024

City of Lockhart
Attn: Bobby

RE: Project 5B

Dear Bobby,

Thank you for giving Techline Construction, LLC the opportunity to quote on Project 5B. The estimated total for this project is \$215,200.00 not to exceed \$221,000.00. This total includes travel, equipment, and labor.

Thank you,

Vance Thurmon
Techline Construction, LLC

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 19, 2024

AGENDA ITEM CAPTION: Discuss Resolution 2024-09, declaring intent to seek certification from the International Dark Sky Association and to regulate outdoor lighting in accordance with the requirements of Section 3000.002 of the Texas Local Government Code.

ORIGINATING DEPARTMENT AND CONTACT: Development Services - David Fowler

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: In 2021 the Texas Legislature passed an amendment to Section 3000.002 of the Local Government Code prohibiting cities from passing lighting ordinances restricting the use of any lighting fixture that is permitted in the International Building Code unless a city applies to the International Dark Sky Association for review and approval of the lighting ordinance. This resolution will direct staff to apply for dark sky certification of the City's lighting ordinance passed in February 2024, thus satisfying the requirement. The certification process as outlined by the Dark Sky Association should take 1-3 years to complete. Depending upon the outcome of the Dark Sky review, some revisions to the recently-passed ordinance may have to be made for the City to obtain certification. However, due to the resolution directing City staff to work to obtain certification, the ordinance will remain valid in the interim while the ordinance is under Dark Sky review.

PROJECT SCHEDULE (if applicable): None

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

FISCAL NOTE (if applicable): The effort to attain certification will require a \$250 application fee and the use of occasional paid staff time over a period of up to three years.

PREVIOUS COUNCIL ACTION: On February 19, 2024, City Council approved Ordinance 2024-05, amending several chapters of the Code of Ordinances to strengthen the City's lighting regulations.

COMMITTEE/BOARD/COMMISSION ACTION: None

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approval of Resolution 2024-09, declaring the intent for the City to seek certification from the International Dark Sky Association for the

City of Lockhart, Texas

Council Agenda Item Cover Sheet

LIST OF SUPPORTING DOCUMENTS: Resolution of Intent Dark Sky Certification 2024, IDA-IDSP-Application-Process, 87(R) SB 1090 - Enrolled version - Bill Text

RESOLUTION NO. 2024-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOCKHART DECLARING ITS INTENT TO SEEK CERTIFICATION FROM THE INTERNATIONAL DARK SKY ASSOCIATION (THE “ASSOCIATION”) AND TO REGULATE OUTDOOR LIGHTING IN ACCORDANCE WITH THE REQUIREMENTS OF THE ASSOCIATION AS REQUIRED BY SECTION 3000.002 OF THE TEXAS GOVERNMENT CODE AND DIRECTING CITY STAFF TO SEEK CERTIFICATION FROM SAME AND AUTHORIZING STAFF TO COMMENCE ENFORCEMENT OF THE CITY’S LIGHTING REGULATIONS INSOFAR AS SUCH ENFORCEMENT IS CONSISTENT WITH SECTION 3000.002 OF THE TEXAS GOVERNMENT CODE AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Section 3000.002 of the Texas Government Code prohibits cities from regulating building materials, architectural processes, and outdoor lighting in a manner that is more stringent than national building codes with only a few exceptions; and

WHEREAS, Section 3000.002 provides an exception that allows cities to regulate outdoor lighting that is adopted for the purpose of reducing light pollution if the city becomes dark sky certified by the International Dark Sky Association (the “Association”); and

WHEREAS, the City of Lockhart adopted Ordinance No. 2024-05 which is intended to reduce the effects of light trespass and pollution within the community and the City intends to become Dark Sky certified by the International Dark Sky Association in accordance with the requirements set out in Section 3000.002 of the Texas Government Code; and

WHEREAS, the City finds that the terms, conditions and regulation set forth in Ordinance No. 2024-05 are no more stringent than is required by the Association for purposes of achieving certification;

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

1. The City Council hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the City hereby incorporates such recitals as a part of this Resolution.

2. The City hereby declares its intent to be certified by the International Dark Sky Association and directs staff to submit such application, pay such fees and provide such information as the Association may require in order to obtain dark sky certification from the

Association for the City;

3. The City hereby directs staff to begin enforcement of the City's Lighting Ordinance No. 2024-05 as authorized by Section 3000.002 of the Texas Government Code pending approval of dark sky certification.

4. This Resolution shall become effective immediately upon passage.

Passed, read and approved the 19th day of March, 2024.

CITY OF LOCKHART, TEXAS

, Mayor

ATTEST:

City Secretary



INTERNATIONAL DARK-SKY ASSOCIATION

INTERNATIONAL DARK SKY PLACE (IDSP) APPLICATION PROCESS

PHASE I: INITIAL INQUIRY

Applicant reviews eligibility with IDA staff; notifies IDA of intent to pursue IDSP application

Average Timeline: 45 days*

STEP 1: The applicant reviews certification process; indicates interest in the program

>Anytime; via darksky.org

STEP 2: The applicant receives an assessment of site eligibility and IDSP category recommendation from IDA staff

>Within 30 days of initial inquiry submission; Via communication with IDSP staff

STEP 3: After eligibility is determined by IDA staff, the applicant notifies IDA of intent to pursue formal Dark Sky Place certification

>Timeline varies based on eligibility and guideline requirements; Applicant confirms intent with IDSP staff via written communication

PHASE II: FORMAL APPLICATION

With support from IDA staff, applicant actively works to meet the application requirements.

Average Timeline: 1-3 years

STEP 1: The applicant works closely with IDSP Manager to develop application in accordance with appropriate guidelines

>Anytime, ongoing; Via email with IDSP staff/manager

STEP 2: With IDSP Manager approval, the applicant submits an application for Dark Sky Places Committee (DSPC) review

>On or before submission deadline for review at the following committee meeting; Via submission to IDSP Program Manager

PHASE III: CERTIFICATION

Applicant waits while review is in process

Average Timeline: 90-150 days

STEP 1: Application is reviewed by DSPC. One of the following outcomes occur:

- >Application is approved by DSPC - application is submitted for approval by IDA Board of Directors
- >Application is approved by DSPC with conditions - application is revised, applicant may resubmit anytime for re-review by DSPC
- >Application is rejected - updated application may be eligible for submission at future deadline

STEP 2: DSPC submits recommendations to IDA Board for final approval

- >Board approves or returns the application 10 business days after DSPC approval

STEP 3: New IDSP is certified upon Board Approval

- >Announcement is coordinated with IDA staff at the applicant's discretion

AN ACT

relating to certain regulations adopted by governmental entities regarding land use restrictions and building products, materials, or methods used in the construction or renovation of residential or commercial buildings.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 3000.002(c), Government Code, is amended to read as follows:

(c) This section does not apply to:

(1) a program established by a state agency that requires particular standards, incentives, or financing arrangements in order to comply with requirements of a state or federal funding source or housing program;

(2) a requirement for a building necessary to consider the building eligible for windstorm and hail insurance coverage under Chapter 2210, Insurance Code;

(3) an ordinance or other regulation that regulates outdoor lighting that is adopted for the purpose of reducing light pollution and that:

(A) is adopted by a governmental entity that is certified as a Dark Sky Community by the International Dark-Sky Association as part of the International Dark Sky Places Program; ~~or~~

(B) is adopted by a governmental entity that has adopted a resolution stating the entity's intent to become certified as a Dark Sky Community by the International Dark-Sky Association as part of the International Dark Sky Places Program and does not regulate outdoor lighting in a manner that is more restrictive than the prohibitions or limitations required to become certified as a Dark Sky Community; or

~~(C)~~ applies to outdoor lighting within five miles of the boundary of a military base in which an active training program is conducted;

(4) an ordinance or order that:

(A) regulates outdoor lighting; and

(B) is adopted under Subchapter B, Chapter 229, Local Government Code, or Subchapter B, Chapter 240, Local Government Code;

(5) a building located in a place or area designated for its historical, cultural, or architectural importance and significance that a municipality may regulate under Section 211.003(b), Local Government Code, if the municipality:

(A) is a certified local government under the National Historic Preservation Act (54 U.S.C. Section 300101 et seq.); or

(B) has an applicable landmark ordinance that meets the requirements under the certified local government program as determined by the Texas Historical Commission;

(6) a building located in a place or area designated for its historical, cultural, or architectural importance and significance by a governmental entity, if designated before April 1, 2019;

(7) a building located in an area designated as a historic district on the National Register of Historic Places;

(8) a building designated as a Recorded Texas Historic Landmark;

(9) a building designated as a State Archeological Landmark or State Antiquities Landmark;

(10) a building listed on the National Register of Historic Places or designated as a landmark by a governmental entity;

(11) a building located in a World Heritage Buffer Zone; ~~and~~

(12) a building located in an area designated for development, restoration, or preservation in a main street city under the main street program established under Section 442.014;

(13) a standard for a plumbing product required by an ordinance or other regulation implementing a water conservation plan or program described by Section 11.1271 or 13.146, Water Code; and

(14) a standard for a plumbing product imposed by the Texas Water Development Board as a condition of applying for or receiving financial assistance under a program administered by the board.

SECTION 2. Section 3000.004, Government Code, is amended to read as follows:

Sec. 3000.004. OTHER PROVISIONS NOT AFFECTED. This chapter does not affect provisions regarding:

(1) the installation of a fire sprinkler protection system under Section 1301.551(i), Occupations Code, or Section 775.045(a) (1), Health and Safety Code; or

(2) the enforcement of land use restrictions contained in plats and other instruments under Subchapter F, Chapter 212, Local Government Code.

SECTION 3. Section 212.151, Local Government Code, is amended to read as follows:

Sec. 212.151. MUNICIPALITY COVERED BY SUBCHAPTER. This subchapter applies only to a municipality:

(1) with a population of 1.5 million or more that passes an ordinance that requires uniform application and enforcement of this subchapter with regard to all property and residents;

(2) with a population of less than 4,000 that:

(A) is located in two counties, one of which has a population greater than 45,000; and

(B) borders Lake Lyndon B. Johnson; or

(3) ~~to a municipality~~ that does not have zoning ordinances and passes an ordinance that requires uniform application and enforcement of this subchapter with regard to all property and residents.

SECTION 4. This Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1090 passed the Senate on May 11, 2021, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1090 passed the House on May 26, 2021, by the following vote: Yeas 139, Nays 8, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 19, 2024

AGENDA ITEM CAPTION: Discuss Ordinance 2024-08 regulating sexual offenders from loitering or establishing residency around locations where children regularly congregate.

ORIGINATING DEPARTMENT AND CONTACT: Police -

ACTION REQUESTED: Ordinance

BACKGROUND/SUMMARY/DISCUSSION: There are currently about 35 Registered Sex Offenders living in Lockhart. The number grows every year. They are classified as low, moderate and high-risk offenders. While these offenders are on Parole or Probation, they must live with restrictions designed to help them not re-offend. Once they are off of Parole and Probation, the restrictions are lifted. Law enforcement has no authority where sex offenders, off of probation or parole, live or loiter. The Lockhart Police Department has received requests from local citizens to implement an ordinance to regulate sex offenders, such as has been done in other cities.

Studies have shown that the recidivism rate for individuals required to register as sex offenders whose offenses were committed against children is alarmingly high based on a study performed by the U.S. Department of Justice, Office of Justice Programs, entitled "Recidivism of Adult Sex Offenders."

The ordinance creates Child Safety Zones, places where children 17 years of age or younger congregate. The ordinance prohibits registered sex offenders from loitering within 300 feet or residing within 1,500 feet of a Child Safety Zone.

Exceptions have been included for those who already have an established residence within 1,500 feet of a Child Safety Zone and for those conducting legitimate business within the child safety zone.

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:

LIST OF SUPPORTING DOCUMENTS: Proposed Ordinance 2024-08, 1000 Buffer Child Safety Zone Locations Includes Hike Bike Trail, 1500 Buffer Child Safety Zone Locations Includes Hike Bike Trail, 2000 Buffer Child Safety Zone Locations Includes Hike Bike Trail

ORDINANCE NO. 2024-08

AN ORDINANCE OF THE CITY OF LOCKHART, TEXAS REGULATING SEX OFFENDER RESIDENCY WITHIN THE CITY AND ESTABLISHING CHILD SAFETY ZONES; AMENDING CHAPTER 36 OF THE CODE OF ORDINANCES ENTITLED “OFFENSES AND MISCELLANEOUS PROVISIONS” BY ESTABLISHING ARTICLE III TO BE ENTITLED “REGULATION OF SEXUAL OFFENDERS;” MAKING IT UNLAWFUL FOR CERTAIN SEX OFFENDERS TO RESIDE WITHIN 1,500 FEET OF PREMISES WHERE CHILDREN COMMONLY GATHER; PROVIDING AFFIRMATIVE DEFENSES; PROVIDING PENALTIES FOR VIOLATIONS OF THE ORDINANCE; REPEALING ORDINANCE OR PART OF ORDINANCES IN CONFLICT THEREWITH; PROVIDING AN EFFECTIVE DATE, A SEVERABILITY CLAUSE, FINDINGS OF FACT AND PROVIDING FOR OPEN MEETINGS.

WHEREAS, The City of Lockhart, Texas (the “City”) is a home rule city having authority to utilize police power regulation for the health, safety, and general welfare of the citizens of the City; and

WHEREAS, the City Council of the City has determined there is a need to protect persons under 17 years of age from sexual predators and believe it is necessary to define and create child safety zones for the purposes of protecting persons under 17 years of age from sexual predators;

WHEREAS, the City Council of the City has determined that the recidivism rate for individuals required to register as sex offenders whose offenses were committed against children is alarmingly high based on a study performed by the U.S. Department of Justice, Office of Justice Programs, entitled Recidivism of Adult Sexual Offenders;

WHEREAS, the City is seeing an influx of new residents, including those with young children, which thereby is increasing the number of places where children congregate within the City;

WHEREAS, the City Council of the City finds that establishing a policy to restrict the residency of sex offenders to locations outside established child safety zones promotes the safety of children;

WHEREAS, the City Council of the City finds that ordinances establishing sex offender residency restrictions have been repeatedly recognized by state and federal courts as legitimate exercises of the police power and do not infringe upon the constitutional rights of convicted sex offenders; and

WHEREAS, the laws of the State of Texas, including those found in Chapter 51 of the Texas Local Government Code and the City Charter, provide the City authority to adopt ordinances for the good government, peace, order, and welfare of the City;

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, THAT:

SECTION 1. FINDINGS OF FACT

The above and foregoing recitals are hereby found to be true and correct and are incorporated herein as findings of fact.

SECTION 2. AMENDMENT OF CHAPTER 36.

Chapter 36 of the Code of Ordinances of the City entitled “Offenses and Miscellaneous Provisions” is hereby amended by establishing Article III entitled “Regulation of Sexual Offenders” with the following provisions.

ARTICLE III REGULATION OF SEXUAL OFFENDERS

Sec. 36-31 Purpose and Intent.

The City Council of the City finds that sex offenders who are required to register as sexual predators under V.T.C.A., Texas Code of Criminal Procedure, Chapter 62, present an extreme threat to the health, safety and welfare of children. It is the intent of this Chapter to serve the city's compelling interest to promote, protect and improve the health, safety, and welfare of the citizens of the City by creating areas around locations where children regularly congregate in concentrated numbers wherein certain registered sex offenders and sexual predators are prohibited from loitering or prohibited from establishing temporary or permanent residency.

Sec. 36-32 Definitions.

For the purposes of this subchapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

Child. Any person under the age of 17.

Child Day Care. Any place, home, or institution which provides temporary custodial care and is regulated by the State of Texas.

Child Safety Zone. —Including, but not limited to, areas including all improved and unimproved lots where the following are located or planned to be located:

- A. Public parks;
- B. Private and public schools;
- C. Public library;
- D. Amusement arcades or video arcades;
- E. Indoor and outdoor amusement centers or amusement parks, or carnivals, circuses, fairs or fair grounds;
- F. Public, commercial and semi-private swimming pools;
- G. Child Day Care Facilities;
- H. Public or private youth soccer, football or baseball fields;
- I. Crisis center or shelter;
- J. Skate park or rink;
- K. Public or private youth center;
- L. Movie theater;
- M. Bowling alley;
- N. Scouting facilities;
- O. Any public or private group, location or activity that regularly provides athletic, civic or cultural activities that includes as participants or recipients persons who are 17 years of age or younger, including but not limited to Public Halloween Festivals, Christmas celebrations, activities or Parades and Vacation Bible Schools;
- P. Offices for Child Protective Services.

Database. The Texas Department of Public Safety's Sex Offender Database or the Sex Offender Registration files maintained by the Sex Offender Registration Officer of the Lockhart Police Department.

Loiter Includes standing, sitting, the walking about aimlessly without apparent purpose; lingering; hanging out; hanging around; lagging behind; the idle spending of time; delaying; sauntering and moving slowly about, where such conduct is not due to physical defects or conditions, without a lawful purpose or for longer than necessary to complete a lawful purpose.

Park or Playground. Any of the following:

- A. Any land, including improvements to the land, that is administered, operated or managed by the City of Lockhart for the use of the general public as a recreational area.
- B. City recreational areas including, but not limited to, conservation area, jogging trail, hiking trail, bicycle trail, recreational center, waterpark, swimming pool, football field, soccer field or baseball field.

Permanent Residence. A place where the person abides, lodges or resides for 14 or more consecutive days.

Places where children regularly congregate. Same as Child Safety Zone.

Public Way. Any place to which the public, or a substantial group of the public, has access and includes, but is not limited to, streets, shopping centers, parking lots, transportation facilities, restaurants, shops and similar areas that are open to the use of the public.

School. A private or public pre-school, private or public elementary school or private or public secondary school.

Child Sex Offender. An individual who has been convicted of or placed on deferred adjudication for a sexual offense involving a person under 17 years of age for which the individual is required to register as a sex offender under Chapter 62, Texas Code of Criminal Procedure.

Temporary Residence. A place where a person abides, lodges or resides for a period of 14 or more days in the aggregate, during any calendar year and which is not the person's permanent address, or a place where the person routinely abides, lodges or resides for a period of four or more consecutive or nonconsecutive days in any month and which is not the person's permanent residence.

Sec. 36-33 Sex Offender Prohibition.

- A. It shall be unlawful for a Child Sex Offender to establish a permanent residence, or to establish a temporary residence within 1,500 feet of any premises comprising a school, child day care, park or playground or other places where children regularly congregate.
- B. It shall be unlawful for a person who owns, rents, leases, or inhabits property to knowingly allow a Child Sex Offender to establish a permanent residence, establish a temporary residence within 1,500 feet of any premises comprising a school, child day care, park or playground or other places where children regularly congregate.

- C. It shall be unlawful for a Child Sex Offender to enter and loiter in a Child Safety Zone.
- D. It shall be unlawful a Child Sex Offender to loiter on a public way within 300 feet of a Child Safety Zone.
- E. A Child Sex Offender shall not, on each October 30th and 31st, or any other date set by the City for trick-or-treaters, leave an exterior porch light on or otherwise invite trick-or-treaters to solicit the premises and shall post a sign in front of the premises that reads "This residence does not recognize Halloween."

Sec. 36-34 Evidentiary Matters.

- A. If a sex offender who is prohibited from being in a Child Safety Zone is found in a Child Safety Zone by a police officer, the sex offender is subject to punishment in accordance with this subchapter.
- B. It shall be prima facie evidence that this subchapter applies to such a person if that person's record appears in/on the database and the database indicates that the victim was less than 17 years of age.
- C. For the purpose of determining the minimum distance of separation under this article, the distance shall be measured by following a straight line from the outer property line of the permanent or temporary residence to the nearest property line of the premises of a Child Safety Zone, or other places where children regularly congregate, as described hereinabove, or, in the case of multiple residences on one property, measuring from the nearest property line of the premises of a Child Safety Zone or other places where children regularly congregate, as described herein.
- D. In cases of a dispute over measured distances, it shall be incumbent upon the party challenging the measurement to prove otherwise.
- E. A map depicting the prohibited areas shall be created by the City of Lockhart and maintained by the Lockhart Police Department. The City of Lockhart shall review the map annually for changes. Said map will be available to the public at the Lockhart Police Department or available on the City of Lockhart Website or Lockhart Police Department Website.
- F. Neither allegation nor evidence of a culpable mental state is required for the proof of an offense defined in this article.

Sec. 36-35 Affirmative defenses.

The following shall be affirmative defenses to prosecution under this article that any of the following conditions apply:

- A. It shall be an affirmative defense under Sec. 36-33(A) if the person required to register in/on the database established their permanent residence or temporary residence and such residency has been consistently maintained and the person has complied with all of the Child Sex Offender Registration laws of the State of Texas prior to the date of the adoption of this subchapter, provided, however that if the person required to register in/on the database established the permanent or temporary residence through a lease or other rental arrangement in effect on the effective date of this article, this affirmative defense shall not apply upon termination of the

lease/rental arrangement that is in effect on the effective date of this article, and/or if that person required to register in/on the database is incarcerated for a period of one year or more, this affirmative defense shall not apply.

- B. It shall be an affirmative defense under Sec. 36-33(A) if the person required to register on the database lives in a medical facility for care where services are designed to meet a person's health or personal care needs during a short or long period of time. Medical facilities are defined as hospitals or inpatient facilities.
- C. It shall be an affirmative defense under Sec. 36-33(A) if the premises where children regularly congregate, as specified herein, within 1,500 feet of the permanent or temporary residence of the person required to register in/on the database was opened after the person established the permanent or temporary residence and the person complied with all Child Sex Offender Registration laws of the State of Texas.
- D. It shall be an affirmative defense under Sec. 36-33 if the information in/on the database is incorrect, and, if corrected, this subchapter would not apply to the person who was erroneously listed in/on the database.
- E. The person required to register in/on the database was a minor when he or she committed the offense requiring such registration and was not convicted as an adult.
- F. The person required to register is required to serve a sentence at a jail, prison, juvenile facility or other correctional institution located within 1,500 feet of the premises comprising a school, child day care, park or playground or other places where children regularly congregate.
- G. The person required to register is under 18 years of age or a ward under a guardianship, who resides with a parent or guardian.
- H. The person required to register has been exempted by a court order from registration as a child sex offender under Chapter 62, Texas Code of Criminal Procedure.
- I. The person required to register has had the offense for which the sex offender registration was required reversed on appeal or pardoned.
- J. The person's duty to register in/on the database has expired.
- K. The person was within a child safety zone performing community service ruled by a magistrate.
- L. Nothing in this provision shall require any person to sell or otherwise dispose of any real estate or home acquired or owned prior to the conviction of the person as a sex offender.
- M. The person is adhering to local school policy or is otherwise preempted from this Section by State Law.
- N. It shall be an affirmative defense to prosecution under this Ordinance if the person enters a Child Safety Zone for a legitimate purpose. A legitimate purpose includes:
 - 1. Transportation of a child that the Child Sex Offender is legally permitted to be with;
 - 2. Transportation to and from the registered sex offender's work;
 - 3. Other work-related purposes; and
 - 4. Engaging in lawful acts of commerce.

SECTION 2. PENALTY CLAUSE.

Any person who violates the provisions of this article shall be charged with a class C misdemeanor; and upon conviction shall be fined as provided for in Sec. 1-8 of this Code for each day that a violation exists, and a separate offense shall be deemed committed upon each day during or on which a violation occurs or continues.

SECTION 3.AMENDMENT OF ORDINANCES.

The City Code of Ordinances, Chapter 36, is hereby amended to the extent of any conflict or inconsistency herewith only and all ordinance or parts thereof conflicting or inconsistent with the provisions of this Ordinances as adopted and amended herein, are hereby amended to the extent of such conflict. In the event of a conflict or inconsistency between this Ordinance and any other code or ordinance of the City, the terms and provisions of this Ordinance shall govern.

SECTION 4. SEVERABILITY.

In the event any clause, phrase, provision, sentence, or any part of this Ordinance or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Lockhart, Texas declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

SECTION 5. NOTICE BY PUBLICATION

The City Secretary shall give notice of the enactment of this Ordinance by promptly publishing it or its description caption and penalty after final passage in the official newspaper of the City. This Ordinance shall take effect ten days after the date of such publication.

SECTION 6. EFFECTIVE DATE.

This Ordinance shall take effect immediately from and after publication in accordance with the provisions of the City Charter and the Local Government Code.

SECTION 7. OPEN MEETING COMPLIANCE

It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public as required by law and that public notice of the time, place and purpose of said meeting was given as required by the Texas Open Meetings Act, Texas Government Code, Chapter 551.

PASSED AND APPROVED by the City Council of the City of Lockhart, Texas, on this this 19TH day of March 2024.

CITY OF LOCKHART, TEXAS

LEW WHITE, Mayor

ATTEST:

JULIE BOWERMON, City Secretary

APPROVED AS TO FORM:

BRADFORD E. BULLOCK, City Attorney

HIKE BIKE TRAIL

CPS & CALDWELL COUNTY FAIRGROUNDS

LIBRARY AND CHURCH PROPERTY

LISD AND PRIVATE SCHOOLS AND DAYCARES

CITY OF LOCKHART PARKS

PARCEL BOUNDARY

CITY LIMITS

CITY OF LOCKHART ETJ

3/19/2024

HIKE BIKE TRAIL

CPS & CALDWELL COUNTY FAIRGROUNDS

LIBRARY AND CHURCH PROPERTY

LISD AND PRIVATE SCHOOLS AND DAYCARES

CITY OF LOCKHART PARKS

PARCEL BOUNDARY

CITY LIMITS

CITY OF LOCKHART ETJ

3/19/2024

Map Legend

HIKE BIKE TRAIL

CPS & CALDWELL COUNTY FAIRGROUNDS

LIBRARY AND CHURCH PROPERTY

LISD AND PRIVATE SCHOOLS AND DAYCARES

CITY OF LOCKHART PARKS

PARCEL BOUNDARY

CITY LIMITS

CITY OF LOCKHART ETJ

3/19/2024

City of Lockhart, Texas

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COUNCIL MEETING DATE: March 19, 2024

AGENDA ITEM CAPTION: Discuss Resolution 2024-10 to select a grant administration service provider to complete an application and with funding, project implementation for the General Land Office (GLO) CDBG-MIT Method of Distribution project and authorize the City Manager to sign contract with selected firm.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Joseph Resendez

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: City staff issued a Request for Proposals (RFP) for professional grant administration services on February 1st, 2024 with an application deadline of February 15th, 2024. These proposals were solicited to procure a grant administration firm to assist the City in the application, implementation, and administration of the proposed waterline replacement project submitted to the Texas General Land Office (GLO) for consideration.

Staff received four responses from the following grant administration service providers (alphabetical): Community Development Management Co., Langford Community Management Services (LCMS), GrantWorks, and Public Management, Inc (PMI). Each proposal was reviewed and scored by a three-person committee. Based on these results, staff is recommending a contract with Langford Community Management Services (LCMS).

Based in Liberty Hill and serving Texas communities since 1983, LCMS has extensive experience with state and federal grant projects. They are a Woman Owned Business Enterprise (WBE) and a Certified Historically Underutilized Business (HUB) with the Texas Secretary of State's office. Staff have also been advised the designated personnel from LCMS assigned to our project have previous work experience as a former employee of the General Land Office (GLO) and will be on-site during pre-construction meetings to coordinate with engineering and the selected construction contractor.

History

City Council approved a final project scope and cost estimate for a proposed waterline replacement project at the February 6th, 2024, Council meeting. The proposed project includes the replacement of 6 fire hydrants, 18 Isolations/gate valves, and 3,300 linear feet (LF) of 8" waterline. Further, this proposed project completes required utility line upgrades for the Blanco Street Bridge/TxDOT project and prepares the underlying utilities for future street overlay project consideration.

Additional requirements mandate at least 50% of total funds (\$945,000) must be spent on projects that directly benefit Low-and-Moderate-Income (LMI) persons within the city and a

City of Lockhart, Texas

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minimum 14-day public participation period. The public participation period began on February 9th, 2024 and closed February 23rd, 2024. Postings to the city website and City Hall notification board were made available for public review. City Council also held a public hearing at the February 20th, 2024 Council meeting as an opportunity for public input. Staff did not receive any public comments during this period.

GLO funds have been appropriated to the City for eligible projects. However, an application must be submitted to access this funding.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

FISCAL NOTE (if applicable): According to the grant funding requirements, a limit of 8% of Total Project Cost (estimated at \$139,657) is eligible for reimbursement for Grant Administration. The proposed fee schedule from Langford Community Management Services (LCMS) is 6.5% of the Total Project Cost. At the current scope, this is estimated at \$113,471.

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approval of the proposed Resolution 2024-10 as presented.

LIST OF SUPPORTING DOCUMENTS: Resolution 2024-10 - Grant Administration for GLO CDBG-MIT-MOD

RESOLUTION 2024-10

A RESOLUTION OF THE CITY OF LOCKHART, TEXAS, AUTHORIZING THE AWARD OF A GRANT ADMINISTRATION SERVICES CONTRACT FOR THE GENERAL LAND OFFICE (GLO) COMMUNITY DEVELOPMENT BLOCK GRANT – MITIGATION - METHOD OF DISTRIBUTION (CDBG-MIT-MOD) PROGRAM AND AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH LANGFORD COMMUNITY MANAGEMENT SERVICES (LCMS).

WHEREAS, the CDBG-MIT Method of Distribution (MOD) programs require application preparation and with funding, implementation by professionals experienced in the administration of federally-funded community development projects;

WHEREAS, in order to identify qualified and responsive providers for these services a Request for Proposals (RFP) process for administration services has been completed in accordance with State and Federal requirements for the CDBG and Mitigation programs;

WHEREAS, the proposals received by the due date have been reviewed to determine the most qualified and responsive providers for each professional service and scored accordingly;

NOW, THEREFORE, BE IT RESOLVED:

- Section 1. That **Langford Community Management Services (LCMS)** be awarded a contract to provide CDBG-MIT-MOD program application and project-related **grant administration services**.
- Section 2. That any and all contracts or commitments made with the above-named services providers are dependent on the successful negotiation of a contract with the service provider;
- Section 3. That the City Manager is authorized to execute a contract with selected provider.

PASSED AND APPROVED on the 19th day of March, 2024.

CITY OF LOCKHART:

Mayor

ATTEST:

City Secretary

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 19, 2024

AGENDA ITEM CAPTION: Discuss Resolution 2024-11 to select an engineering firm to assist in the project implementation including design and construction oversight for the General Land Office (GLO) CDBG-MIT Method of Distribution project and authorize the City Manager to complete negotiations with selected firm and sign contract.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Joseph Resendez

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: City staff issued a Request for Qualifications (RFP) for engineering services on February 1st, 2024 with an application deadline of February 15th, 2024. These statements of qualification (SOQ) were solicited to procure an engineering services firm to assist the City in the application and implementation of the proposed waterline replacement project submitted to the Texas General Land Office (GLO) for consideration.

Staff received four responses from the following engineering services firm (alphabetical): Doucet & Associates, Inc. (Doucet), KSA, Rakowitz Engineering & Surveying, and Schaumburg & Polk, Inc. (SPI). Each SOQ was reviewed and scored by a three-person committee. Based on these results, staff is recommending a contract with Doucet & Associates, Inc. (Doucet).

Based in Austin and founded in 1992, Doucet has extensive experience with Central Texas municipal and county clients on drainage, transportation, water, and wastewater projects. Many of these previous regional projects also involved grant funding through the CDBG-Disaster Recovery (DR) and CDBG-Mitigation (MIT) programs. Previously, Doucet was the project engineer for the Lockhart Industrial Park III Utility Improvements.

History

City Council approved a final project scope and cost estimate for a proposed waterline replacement project at the February 6th, 2024, Council meeting. The proposed project includes the replacement of 6 fire hydrants, 18 Isolations/gate valves, and 3,300 linear feet (LF) of 8" waterline. Further, this proposed project completes required utility line upgrades for the Blanco Street Bridge/TxDOT project and prepares the underlying utilities for future street overlay project consideration.

Additional requirements mandate at least 50% of total funds (\$945,000) must be spent on projects that directly benefit Low-and-Moderate-Income (LMI) persons within the city and a minimum 14-day public participation period. The public participation period began on February 9th, 2024 and closed February 23rd, 2024. Postings to the city website and City Hall notification board were made available for public review. City Council also held a public

City of Lockhart, Texas

Council Agenda Item Cover Sheet

hearing at the February 20th, 2024 Council meeting as an opportunity for public input. Staff did not receive any public comments during this period.

GLO funds have been appropriated to the City for eligible projects. However, an application must be submitted to access this funding.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

FISCAL NOTE (if applicable): According to the grant funding requirements, a limit of 15% of Construction Cost is eligible for reimbursement for Engineering Services. At the current scope, this is estimated at \$227,702. The final proposed fee schedule from Doucet will be determined during the negotiation process.

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approval of the proposed Resolution 2024-11 as presented.

LIST OF SUPPORTING DOCUMENTS: Resolution 2024-11 - Engineering for GLO CDBG-MIT-MOD

RESOLUTION 2024-11

A RESOLUTION OF THE CITY OF LOCKHART, TEXAS, AUTHORIZING THE SELECTION OF A PROFESSIONAL SERVICES PROVIDER FOR THE GENERAL LAND OFFICE (GLO) COMMUNITY DEVELOPMENT BLOCK GRANT – MITIGATION - METHOD OF DISTRIBUTION (CDBG-MIT-MOD) PROGRAM AND AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT POST NEGOTIATIONS WITH PROVIDER.

WHEREAS, the GLO CDBG-MIT Method of Distribution (MOD) contract requires application preparation and implementation by professionals experienced in the Engineering of State or federally funded disaster recovery projects.

WHEREAS, in order to identify qualified and responsive providers for these services a Request for Qualifications (RFQ) process for engineering services has been completed in accordance with GLO CDBG-MIT MOD requirements.

WHEREAS, the Statement of Qualifications Proposals were received by the due date and have been reviewed to determine the most qualified and responsive providers for each professional service giving consideration to ability to perform successfully under the terms and conditions of the proposed procurement, integrity, compliance with public policy, record of past performance, and financial and technical resources;

NOW, THEREFORE, BE IT RESOLVED:

- Section 1. That the attached list of engineering firms (EXHIBIT A) be approved by council in the order in which they are listed and authorize the City Manager to negotiate contract terms with the highest scoring firm to provide GLO CDBG-MIT-MOD application and project-related **engineering services**. If agreeable terms cannot be reached with the highest scoring firm, the City Manager is approved to cease negotiations and move to the next highest scoring firm and begin negotiations. With agreeable terms met with the selected engineering firm, the City Manager is authorized to sign a contract with the firm.
- Section 2. That any and all project-related services contracts or commitments made with the above-named service provider are dependent on the successful negotiation of a contract with the service provider.

PASSED AND APPROVED on the 19th day of March, 2024.

APPROVED:

Mayor

ATTEST:

City Secretary

EXHIBIT A

	Engineering Services Firm	Avg Score
1.	Doucet & Associates, Inc. (Doucet)	96
2.	KSA	93
3.	Schaumburg & Polk, Inc. (SPI)	92
4.	Rakowitz Engineering & Surveying	82

**REGULAR MEETING
LOCKHART CITY COUNCIL**

MARCH 21, 2023

6:30 P.M.

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

Council present:

Councilmember John Castillo
Councilmember Juan Mendoza
Councilmember Jeffry Michelson

Mayor Lew White
Councilmember Brad Westmoreland
Councilmember Kara McGregor
Mayor Pro-Tem Angie Gonzales-Sanchez

Staff present:

Steve Lewis, City Manager
David Fowler, Planning Director
Julie Bowermon, Civil Service/HR Director
Travis Hughes, Parks Director

Monte Akers, City Attorney
Sean Kelley, Public Works Director
Pam Larison, Finance Director
Gary Williamson, appointed Police Chief

Citizens/Visitors Addressing the Council: Mike Brooks of Brooks Watson & Company; James Jimenez of Halff Associates; Eric Landrum of Lockhart Hangar Partners, LLC; Citizens: Catarina Gonzales, Caroline Kiefer, Christine Ohlendorf, Ronda Reagan, Marcia Proctor and Richard Mendez.

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. DISCUSSION REGARDING THE CITY OF LOCKHART AND CALDWELL COUNTY INTERLOCAL AGREEMENT FOR THE FARMERS' MARKET.

Mr. Akers stated that at the City Council meeting on March 7, 2023, representatives of the new sponsors of the Lockhart Farmers Market, the "Farmers and Artisans Market of Lockhart, " informed the Council of their intent to abide by the terms of the interlocal agreement (ILA) between the City and Caldwell County regarding the market. At that time, it was anticipated that a new ILA would be needed, and staff was directed to prepare one for Council consideration. Subsequently, communications with the sponsors and examination of the original ILA revealed that the former sponsors have relinquished the Market's non-profit status, but that the wording of the ILA references only "the sponsors" of the Market without identifying them by name. Accordingly, whereas the new sponsors will need to obtain non-profit status and comply with other terms of the ILA, they can step into the shoes of the former sponsors and a new ILA or an amendment is not needed at this time. There was discussion.

B. DISCUSS THE PRELIMINARY BUDGET AND TAX CALENDAR FOR FISCAL YEAR 2022-2023 2023-2024.

Ms. Larison stated that this document is the preliminary budget and tax calendar for the fiscal year 2023-2024. 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 2023-2024. There was discussion.

C. PRESENTATION OF THE CITY OF LOCKHART AND THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION'S FISCAL YEAR 2021-22 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ANNUAL FINANCIAL AUDIT) BY BROOKSWATSON & COMPANY, PLLC., AN INDEPENDENT PUBLIC ACCOUNTING FIRM.

Ms. Larison stated that 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 second 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.

Mike Brooks of BrooksWatson & Company provided information about the findings of the City of Lockhart's financial audit. He stated that BrooksWatson & Company, PLLC issued an unmodified audit (clean) opinion. An unmodified opinion is presumed to be free from material misstatements and fairly represents its financial results, financial position, and cash flows. There was discussion.

D. DISCUSSION REGARDING AN APPEAL BY CAROLINE KEIFER-BELL, ON BEHALF OF ROBERT MENDEZ, TO THE HISTORICAL PRESERVATION COMMISSION'S DENIAL OF CFA-23-04, AN APPLICATION FOR A CERTIFICATE FOR ALTERATION TO ALLOW AN EXISTING, TEMPORARY MURAL, ORIGINALLY APPROVED THROUGH APPLICATION CFA-22-14, TO BECOME PERMANENT WITHIN THE COURTHOUSE SQUARE HISTORIC DISTRICT ON PART OF LOT 3, BLOCK 14, ORIGINAL TOWN OF LOCKHART, ZONED CCB, COMMERCIAL CENTRAL BUSINESS DISTRICT AND LOCATED AT 200 EAST MARKET STREET

Mr. Fowler stated that on October 5, 2022, the Planning and Zoning Commission granted a Certificate for Alteration for a mural that was requested in conjunction with the Texas Monthly Barbecue Festival, to be held in November, 2022. At the time of the request, the Historical Preservation Commission had recently recommended revisions to Chapter 28, Historic Districts and Landmarks, Chapter 46, Sign Ordinance, that when combined would prohibit new murals within the Courthouse Square Historic District. Knowing that there was a strong possibility that City Council would adopt the Commission's recommendations (which it did on October 18, 2022), Texas Monthly and the building owner requested the approval be granted for a period of 90 days, after which the mural would be covered matching the paint color of the rest of the wall on which it had been painted. The Historic Commission granted the CFA for the temporary mural, which was completed during the Barbecue Festival. As the deadline to remove the mural approached, building owners and the applicant contacted the City regarding the possibility of making the mural permanent. After city staff had initially directed the applicant to apply for a variance, the City Attorney issued a legal opinion that the Historic Commission should hear the request as a Certificate for Alteration application. On February 15, 2023, the Historic Preservation Commission heard the request

and voted to issue a denial on the basis that the Sign Ordinance prohibits murals within the Historic District. City staff had also informed the Commission of their option to revise the original certificate for Alteration to make the terms of the approval permanent. The Commission did not exercise this option, instead voting to deny the request, knowing that the applicant would likely file an appeal. The Historic Preservation Commission meeting was well-attended, with many attendees in support of the mural remaining in place. The applicant filed an appeal to the Commission's denial within the required 30-day period. Mayor requested any member of the public wishing to speak on this item to come forward during the during the regular meeting section of tonight's meeting.

E. DISCUSS ORDINANCE 2023-06 AMENDING SECTION II, SUBSECTION 2-1 OF THE CITY'S PERSONNEL POLICIES MANUAL TO PROVIDE FOR A RESIDENCY REQUIREMENT FOR CERTAIN CITY EMPLOYEES INVOLVED IN PUBLIC HEALTH AND SAFETY SERVICES DURING EMERGENCIES.

Ms. Bowermon stated that in 2012, the City adopted Ordinance 2012-08 regarding a response time from residence for certain employees. Requiring a response time from a residence is permitted by law, however requiring employees to reside within the City limits is not. Since 2012, technology and communications have improved, enabling some management positions to respond to situations and direct employees efficiently without being within a 25-minute response time. These positions are not the first responding staff members on a scene. Proposed Ordinance 2023-06 removes those positions from the 25-minute response time. This will provide greater latitude in the recruiting of qualified employees for management positions while still maintaining a high level of service to the community during emergencies. Ms. Bowermon recommended approval. There was discussion.

F. DISCUSS CONFIRMATION OF THE CITY MANAGER'S APPOINTMENT OF MR. GARY WILLIAMSON AS LOCKHART POLICE CHIEF.

Mr. Lewis stated that following the retirement of Police Chief Ernest Pedraza, the City received 21 applications from candidates interested in serving as the next Lockhart Police Chief. Of these 21 applicants, 5 semi-finalists participated in a structured interview panel lead by the consulting firm, Public Safety Solutions. Two finalists were then invited to participate in a community meet and greet event, as well as an opportunity for City Councilmembers to engage with the finalists. To fill the position of Police Chief, the City Charter requires that the City Council confirm the City Manager's appointment of a Police Chief. Based upon the results of the structured interview panel, interview with the City Manager, input from the community, stakeholders, and employees, Mr. Williamson is wholeheartedly recommended for this position. It is anticipated that Mr. Williamson will assume his new position as Lockhart Police Chief on April 10, 2023.

Mr. Gary Williamson introduced himself to the Lockhart City Council, staff and the public. He expressed his appreciation of being selected to work as Police Chief for the City of Lockhart.

G. DISCUSS RESOLUTION 2023-03, SETTING A DATE FOR THE PUBLIC HEARING REGARDING THE 2023 WATER/WASTEWATER AND ROADS IMPACT FEE REPORTS, INCLUDING LAND USE ASSUMPTIONS, CAPITAL PROJECTS, AND FEE ADJUSTMENTS.

Mr. Fowler stated that this resolution would schedule a public hearing to potentially adopt the final reports for road and water/wastewater impact fee updates. The previous update of the City's impact fees was adopted in April 2017. The draft impact fee updates have been reviewed by City staff and the Impact Fee Advisory Committee. Under the new calculations, road impact fees would increase from \$1,304 per vehicle mile for roads to \$1,501 in service area 1 and \$1,806 in service area 2. Water and wastewater fees

would be a total of \$10,035 per living unit equivalent, up from their current combined total of \$3,045.94. Upon adoption of the resolution, public notice of the public hearing would be advertised in the Lockhart Post-Register and on the City website. Copies of the two reports will be available for review on the city website, and a physical copy of each report will be available for review at City Hall. The resolution schedules the hearing for May 2nd, with adoption possible either on that date or the following meeting without needing to advertise for a new hearing. Mr. Fowler recommended approval.

H. DISCUSS CONTRACTING WITH SKYHAWKS SPORTS ACADEMY TO PROVIDE YOUTH SPORTS CAMPS THIS SUMMER.

Mr. Hughes stated that Skyhawks is the nation's largest provider of youth sports programs. This summer will be the first opportunity for Skyhawks Sports Academy to provide programs in Lockhart and will serve as a trial run for potentially offering year-round sports programs. Staff proposes to conduct six 1-week camps from 9am to 3pm beginning June 5th, that would include swimming. These would take place at City Park. Skyhawks will provide marketing, registration, staffing, and all equipment. The City of Lockhart will provide access to facilities and assist with marketing on the city website and social media. At the end of the summer program, Skyhawks will provide the City of Lockhart with a check for 20% of registration revenue. Skyhawks currently conducts camps and classes in several central Texas cities including Kyle, Pflugerville, Lakeway, New Braunfels, Austin and San Antonio. Mr. Hughes recommended approval. There was discussion.

I. DISCUSSION REGARDING THE FIRST TWO WORK AUTHORIZATIONS FOR HALFF ASSOCIATES UNDER THE MASTER GENERAL SERVICES AGREEMENT TO RENOVATE THE CITY PARKS.

Mr. Hughes stated that Halff Associates has been contracted to provide general services for the Parks & Recreation Department to renovate the city parks and assist with ongoing projects. The two work authorizations being presented provide for the specific scope of work and associated fees as follows: A. work authorization #1 -provides scope of work for the update of our Open Space Master Plan. B. work authorization #2 -provides scope of work for current projects that include splash pad amenities, skatepark repairs, and aquatics facility project guidance/support. Mr. Hughes recommended approval.

James Jimenez of Halff Associates provided information about the services that the firm will conduct for the city.

There was discussion.

J. DISCUSS RESOLUTION 2023-04 TERMINATING THE HANGAR GROUND LEASE AGREEMENT DATED FEBRUARY 3, 2021 BETWEEN THE CITY OF LOCKHART, TEXAS AND LOCKHART HANGAR PARTNERS, LLC.

Mr. Kelley stated that On February 3, 2021, the City of Lockhart entered a ground lease agreement with Lockhart Hangar Partners, LLC for land at the Lockhart Municipal Airport for purposes of constructing hangars and other aviation related improvements 12 months of the City's approval of plans for such construction. Plans for the hangar improvements were submitted and were approved by the City's Engineer on November 22, 2021. As of November 22, 2022, Lockhart Hangar Partners failed to commence or complete the construction of the hangars within 12 months of the approved plans, therefore putting Lockhart Hangar Partners, LLC in default of the agreement. Lockhart Hangar Partners, LLC was provided 30 days written notice on January, 2023, allowing it to remedy the default. However, the Partners failed to construct or take the steps necessary to cure the default of the agreement.

Eric Landrum of Lockhart Hangar Partners, LLC provided information about the current schedule to abide by the lease agreement. He stated that they request to revamp construction plans or to generate a new lease. There was discussion.

RECESS: Mayor White announced that the Council would recess for a break at 7:30 p.m.

REGULAR MEETING

ITEM 1. CALL TO ORDER.

Mayor Lew White called the meeting to order at 7:45 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 about issues that are not on the agenda. There were none.

ITEM 4. HOLD A PUBLIC HEARING AND DISCUSSION AND/OR ACTION ON AN APPEAL TO THE PLANNING AND ZONING COMMISSION'S DENIAL OF APPLICATION SUP-23-03 BY CATARINA GONZALES ON BEHALF OF MARTIN ESPINOZA FOR A SPECIFIC USE PERMIT TO ALLOW A MANUFACTURED HOME ON LOT 3, BLOCK 1, EAST SIDE, ZONED RMD RESIDENTIAL MEDIUM DENSITY DISTRICT AND LOCATED AT 405 NECHES STREET.

Mayor White opened the public hearing at 7:48 p.m. He requested the staff background report.

Mr. Fowler stated that the Planning and Zoning Commission denied a request for a Specific Use Permit for a manufactured home at 405 Neches Street on February 8, 2023. This denial was issued despite city staff finding the application in compliance with City requirements and no neighborhood opposition to the proposed manufactured home being communicated. Staff did not receive any letters supporting the application, nor did any members of the public speak in favor of the application at the public hearing. In issuing their denial, the Commission stated that manufactured homes have a history of depreciation in comparison to site-built single-family homes. Furthermore, Commissioners stated that new manufactured homes would not be compatible with new site-built single-family home construction that has recently become more common on the city's east side. The applicant expressed disappointment with the denial, stating that city staff had not received any letters of opposition from surrounding residents, also noting that many of the neighboring residents are relatives of the applicant. As the applicant felt aggrieved by the Commission's action, she filed an appeal within the required 10-day period. As the appeal is a public hearing before City Council, notice of the hearing was sent to all residents within 200 feet of the subject property and a notification was published in the March 8, 2023 edition of the Lockhart Post-Register. City staff has not received any letters or phone calls stating opposition to or support of the proposed Manufactured Home SUP. Specific Use Permits (SUP) are submitted for review by the Planning and Zoning Commission. Uses allowed with an SUP are generally those that have been determined to require an additional level of approval or scrutiny due to being perceived as possibly being incompatible with other uses in the zoning district or nearby residential or institutional uses. In Lockhart, SUP cases are

reviewed at a public hearing at the Planning and Zoning Commission, which renders the decision regarding the proposed use meeting the required standards and being compatible with nearby uses.

The following grounds for denial are listed in Section 64-127 (6) c. of the Code of Ordinances:

1. The proposed development or use does not conform with the applicable regulations and standards established in this chapter;
2. The proposed development or use fails to conform with the objectives and the purpose of the zoning district where it is located;
3. The proposed development or use potentially creates greater unfavorable effect or impacts on other existing uses on abutting sites that those which reasonably may result from the use of the site allowed by right;
4. A written protest is received from the owners of at least 30 percent of the land area within 200 feet of the subject property; or
5. The proposed development is contrary to the public health, safety, or general welfare.

The applicant can appeal the Commission's decision if they believe they have been aggrieved by the Commission's action.

Mr. Fowler stated that the Planning and Zoning Commission voted to deny the request for a manufactured home on the subject site by a vote of 4-2 with one member abstaining at their meeting held February 8, 2023.

Mayor White requested the applicant to address the Council.

Catarina Gonzales, 407 Neches, requested approval to allow a manufactured home on the property. She stated that she would like to install a manufactured home at 407 Neches to reside in while she remodels the house at 405 Neches.

Mayor White closed the public hearing at 8:00 p.m. Mayor White requested discussion or citizens to address the Council. There were none.

Councilmember Mendoza made a motion to approve SUP 23-03, as presented. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 7-0.

ITEM 5-E. DISCUSSION AND/OR ACTION REGARDING CONFIRMATION OF THE CITY MANAGER'S APPOINTMENT OF MR. GARY WILLIAMSON AS LOCKHART POLICE CHIEF.

Councilmember Michelson made a motion to confirm the City Manager's appointment of Mr. Gary Williamson as Lockhart Police Chief. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

ITEM 5-A. DISCUSSION AND/OR ACTION TO CONSIDER AN APPEAL BY CAROLINE KEIFER-BELL, ON BEHALF OF ROBERT MENDEZ, TO THE HISTORICAL PRESERVATION COMMISSION'S DENIAL OF CFA-23-04, AN APPLICATION FOR A CERTIFICATE FOR ALTERATION TO ALLOW AN EXISTING, TEMPORARY MURAL, ORIGINALLY APPROVED THROUGH APPLICATION CFA-22-14, TO BECOME PERMANENT WITHIN THE COURTHOUSE SQUARE HISTORIC DISTRICT ON PART OF LOT 3, BLOCK 14, ORIGINAL TOWN OF LOCKHART, ZONED CCB, COMMERCIAL CENTRAL BUSINESS DISTRICT AND LOCATED AT 200 EAST MARKET STREET.

Mayor White requested the following to address the Council:

Caroline Kiefer, 200 E. Market, stated that she believed that the mural is now a part of history that should be protected and preserved. She requested that the prohibition of murals in the downtown district are reconsidered to allow some murals.

Christine Ohlendorf, member of the Lockhart Historical Preservation Commission (LHPC), clarified that the mural was painted on the building prior to adoption of the ordinance prohibiting murals in the downtown district. She stated that the LHPC was informed that the building owner had plans to paint over the mural during the initial approval process. She stated that the LHPC is not against art and that they do their best to work with the community.

Ronda Reagan, 412 West San Antonio Street and member of the Lockhart Historical Preservation Commission (LHPC) stated that the LHPC members follow the guidelines that were adopted by the Council. The initial application by Coca Cola for the mural was for 90 days and the application indicated that the mural would be painted over after 90 days. Murals can be put on buildings in the city limits, just not in the historic district.

Marica Proctor, 515 South Main, stated that the LHPC was informed that the building owner had plans to paint over the mural after 90 days. During the application process, it was suggested that the mural be painted on a canvass, but the applicant wanted paint directly onto the building.

Richard Mendez, 200 East Market, requested that the mural remain on the building. He stated that he would make sure that the mural is touched up. He stated that he initially did not want the mural on the building yet now he believes that the mural expresses welcoming wishes to visitors. He asked about why the mural on the building of the State Farm offices was allowed especially since it is in the historic district.

Mayor White requested additional citizens to address the Council. There were none.

There was discussion.

Mayor White made a motion to modify the certificate for alteration and make the mural permanent. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 6-1, with Councilmember McGregor opposing.

ITEM 5-B. DISCUSSION AND/OR ACTION TO CONSIDER THE PRELIMINARY BUDGET AND TAX CALENDAR FOR FISCAL YEAR 2022-2023 2023-2024.

Councilmember McGregor made a motion to approve the preliminary budget and tax calendar for Fiscal Year 2023-2024. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 7-0.

ITEM 5-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 2021-22 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ANNUAL FINANCIAL AUDIT) BY BROOKSWATSON & COMPANY, PLLC., AN INDEPENDENT PUBLIC ACCOUNTING FIRM.

Mayor Pro-Tem Sanchez made a motion to accept the City of Lockhart and the Lockhart Economic Development Corporation's Fiscal Year 2021-2022 Annual Comprehensive Finance Report. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 5-D. DISCUSSION AND/OR ACTION TO CONSIDER ORDINANCE 2023-06 AMENDING SECTION II, SUBSECTION 2-1 OF THE CITY'S PERSONNEL POLICIES MANUAL TO PROVIDE FOR A RESIDENCY REQUIREMENT FOR CERTAIN CITY EMPLOYEES INVOLVED IN PUBLIC HEALTH AND SAFETY SERVICES DURING EMERGENCIES.

Councilmember McGregor made a motion to approve Ordinance 2023-06, as presented. Councilmember Mendoza seconded. The motion passed by a vote of 6-1 with Mayor Pro-Tem Sanchez opposing.

ITEM 5-F. DISCUSSION AND/OR ACTION TO CONSIDER RESOLUTION 2023-03, SETTING A DATE FOR THE PUBLIC HEARING REGARDING THE 2023 WATER/WASTEWATER AND ROADS IMPACT FEE REPORTS, INCLUDING LAND USE ASSUMPTIONS, CAPITAL PROJECTS, AND FEE ADJUSTMENTS.

Mayor Pro-Tem Sanchez made a motion to approve Resolution 2023-03, as presented. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 5-G. DISCUSSION AND/OR ACTION TO CONSIDER CONTRACTING WITH SKYHAWKS SPORTS ACADEMY TO PROVIDE YOUTH SPORTS CAMPS THIS SUMMER.

Councilmember Michelson made a motion to approve contracting with Skyhawks Sports Academy to provide youth sports camps this summer. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 5-H. DISCUSSION AND/OR ACTION REGARDING THE FIRST TWO WORK AUTHORIZATIONS FOR HALFF ASSOCIATES UNDER THE MASTER GENERAL SERVICES AGREEMENT TO RENOVATE THE CITY PARKS.

There was discussion.

Councilmember McGregor made a motion to approve the first two work authorizations for Halff Associates under the master general services agreement to renovate the city parks, as presented. Councilmember Michelson seconded. The motion passed by a vote of 7-0.

ITEM 5-I. DISCUSSION AND/OR ACTION TO CONSIDER RESOLUTION 2023-04 TERMINATING THE HANGAR GROUND LEASE AGREEMENT DATED FEBRUARY 3, 2021 BETWEEN THE CITY OF LOCKHART, TEXAS AND LOCKHART HANGAR PARTNERS, LLC.

Mayor White stated that the item would be deferred to the Executive Session item.

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

- 2023 Sidewalk Projects - construction update.
- KidFish event has been postponed to Saturday, March 25th at 9:00 a.m. at City Park.
- Citywide Spring Clean Up Program on Saturday, March 25, 2023.
- Cemetery Spring Cleanup will take place March 28 -29, 2023.
- Household Hazardous Waste Collection Event will be held Saturday, April 1, 2023 (rain or shine) for Lockhart residents.
- Site preparation underway for the new Maple Street park splashpad.
- Update on Dell Children's Kids in Cars program for car seats being conducted in cooperation with the Lockhart Fire Department.
- Comprehensive plan update concerning the consultant selection process.
- Update on building permit application trends.
- Update concerning the deployment of updated body-worn cameras in the Police Department.

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

Councilmember Mendoza congratulated Alicia Contreras for participating in the Golden Glove State match. He announced that the Little League would hold their grand opening day on Saturday.

Mayor Pro-Tem Sanchez expressed condolences to families that have recently lost a loved one. She expressed best wishes to the Hispanic Chamber for a successful annual banquet this weekend.

Councilmember McGregor thanked citizens for attending the Council meeting to express their opinions.

Councilmember Castillo expressed condolences to families that have lost a loved one. He wished the Little League the best of luck for a successful baseball season.

Mayor White thanked citizens for attending the Council to express their opinions. He invited everyone to the KidFish event this weekend.

EXECUTIVE SESSIONS: Mayor White announced that the Council would enter Executive Session to discuss two items as listed below at 8:55 p.m.

ITEM 8. 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. Discussion regarding economic development negotiations with project titan.

ITEM 9. 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 PENDING OR CONTEMPLATED LITIGATION; SETTLEMENT OFFER; OR LEGAL MATTERS SUBJECT TO ATTORNEY/CLIENT PRIVILEGE. Seek legal advice from City Attorney regarding terminating the Hangar Ground Lease Agreement dated February 3, 2021 between the City of Lockhart, Texas and Lockhart Hangar Partners, LLC.

ITEM 10. OPEN SESSION.

Mayor White announced that the Council would enter Open Session at 9:30 p.m.

ITEM 10-A. DISCUSSION AND/OR ACTION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS WITH PROJECT TITAN.

Mayor Pro-Tem Sanchez made a motion to authorize the City Manager to negotiate a 380 agreement with the prospect as discussed in Executive Session. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

ITEM 10-B. DISCUSSION AND/OR ACTION REGARDING TERMINATING THE HANGAR GROUND LEASE AGREEMENT DATED FEBRUARY 3, 2021 BETWEEN THE CITY OF LOCKHART, TEXAS AND LOCKHART HANGAR PARTNERS, LLC.

Councilmember McGregor made a motion to terminate the Hangar Ground Lease Agreement dated February 3, 2021 between the City of Lockhart, Texas and Lockhart Hangar Partners, LLC. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 7-0.

Mayor White made a motion to approve Resolution 2023-04 terminating the Hangar Ground Lease Agreement dated February 3, 2021 between the City of Lockhart, Texas and Lockhart Hangar Partners, LLC. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

ITEM 11. 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 9:35 p.m.

PASSED and APPROVED this the 19th day of March, 2024.

CITY OF LOCKHART

Lew White, Mayor

ATTEST:

Julie Bowermon
City Secretary

**REGULAR MEETING
LOCKHART CITY COUNCIL**

APRIL 4, 2023

6:30 P.M.

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

Council present:

Councilmember John Castillo
Councilmember Juan Mendoza
Councilmember Jeffry Michelson

Mayor Lew White
Councilmember Brad Westmoreland
Councilmember Kara McGregor
Mayor Pro-Tem Angie Gonzales-Sanchez

Staff present:

Steve Lewis, City Manager
Sean Kelley, Public Works Director
Randy Jenkins, Fire Chief
Tina Ramsey, Victim Services Coordinator

Patty Akers, City Attorney
Julie Bowermon, Civil Service/HR Director
David Fowler, Planning Director

Citizens/Visitors Addressing the Council: Representatives of the Hays-Caldwell Women's Center; Melissa Reese of Texas Monthly.

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 2023 AS CHILD ABUSE AND SEXUAL ASSAULT AWARENESS & PREVENTION MONTH.

Mayor White presented the proclamations to Representatives of the Hays-Caldwell Women's Center.

B. DISCUSS CITY COUNCIL MINUTES OF THE FEBRUARY 7, 2023 MEETING.

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

C. DISCUSS RESOLUTION 2023-05 AUTHORIZING THE CITY MANAGER TO ENTER AN AMENDED ADVANCE FUNDING AGREEMENT (AFA) WITH THE TEXAS DEPARTMENT OF TRANSPORTATION (TXDOT) FOR THE REPLACEMENT OR REHABILITATION OF THE NORTH BLANCO STREET BRIDGE OVER TOWN BRANCH CREEK.

Mr. Kelley stated that on June 7, 2022, City Council approved Resolution 2022-25, entering the original AFA with TxDOT for the bridge replacement. On November 15, 2022, staff brought Resolution 2022-39 amending the cost of the City's match from \$5,500 to \$6,100 due to rising material costs. TxDOT recently informed the City that the total cost of the bridge replacement would now be covered under the Infrastructure Investment and Jobs Act (IIJA) as well as the Highway Bridge Replacement and Rehabilitation Program (HBRRP), waiving the required local match. Making this project 100% Federally funded. Once TxDOT receives the fully executed amended AFA, a refund will be issued for the previous payment of the local match. This project is still slated for design and replacement in FY2026. City staff and TxDOT will continue to monitor and inspect the bridge until the time of its replacement. Mr. Kelley recommended approval. There was discussion.

D. DISCUSS THE PROPOSED TEXAS MONTHLY 2023 BBQ WORLD'S FAIR EVENT SPONSORSHIP AGREEMENT FOR THE NOVEMBER 4-5, 2023 TEXAS MONTHLY BBQ WORLD'S FAIR EVENT.

Mr. Kelley stated that since 2009, Texas Monthly BBQ Fest has brought together BBQ enthusiasts. In 2022, Texas Monthly held its first BBQ World's Fair in the BBQ Capital of Texas. Last year's event was very successful, and Texas Monthly is seeking to bring the event back to Lockhart for its second year.

This event is slated for November 4-5, 2023, to be held on the Historic Courthouse Square and City Park. Texas Monthly will provide planning, production, staffing, event lineup, marketing, ticketing services and sponsorships. Other notable details in the agreement include:

- Single event contract for the 2023 event
- City to contribute \$25,000 of in-kind support (permit assistance, street closures, police and fire responders staff, secure shuttle parking area and event locations)
- \$20,000 monetary sponsorship for digital promotion and \$8,700 payment for (1) full page brand ad in Texas Monthly Magazine
- City logo to be placed on promotional signage
- Minimum general liability insurance requirements

Texas Monthly has been actively working with staff since last year's event so that the 2023 event takes into consideration operational improvements that were noted during the 2022. Texas Monthly has representatives to answer any questions regarding the 2023 Event Sponsorship Agreement.

Melissa Reese of Texas Monthly provided information and there was discussion about various tasks and events to change or improve for the BBQ event in 2023.

E. DISCUSS ORDINANCE NO. 2023-07 TO PROVIDE A NATURAL GAS FRANCHISE TO UNIVERSAL GAS COMPANY.

Ms. Akers stated that Universal Gas Co. has requested a franchise to authorize it to provide natural gas services in the City utilizing public rights-of-way. Universal currently does not have any facilities in the City, and will probably come down W. San Antonio St. (SH 142) in order to serve Ranch Road Development—Hansford, and Red Oak Development—Lockhart 89, as well as development currently proposed in the City's ETJ. The franchise agreement ordinance is consistent with the terms of the gas franchise previously issued by the City to Texas Gas and provides for a term of 15 years, a franchise fee to the City of 5% of Universal's gross receipts payable each January and July, and relocation at the company's expense if needed for City public work projects. There was discussion.

F. DISCUSS THE SALE OF ENGINE 2, A 1994 PIERCE PUMPER BY PUBLIC AUCTION.

Chief Jenkins stated that staff seeks Council consideration to sell the 29-year old 1994 Pierce Pumper (Engine 2) which has exceeded its service life due to its age, operational reliability, and lack of safety features to protect firefighters and citizens. Engine 2 is currently located at Fire Station No. 2 and has not been in service since the purchase of a new fire pumper (Engine 1) in Fall 2021. The National Fire Protection Association (NFPA) 1901 Standard for Automotive Fire Apparatus (2016 version), Annex D recommends, as best practice, to remove fire pumpers from all service after 25 years of service. Engine 2 must be removed from Fire Station #2 to make room for the new aerial apparatus ordered from Metro Fire Apparatus Specialists, Inc. due for delivery in the spring of 2024. The new aerial apparatus will be housed at Fire Station #2. Rescue 1 and Engine 4 are also housed at Fire Station No. 2 and Engine 4 serves as the primary reserve pumper for Fire Station Nos. 1 and 2. Fire Station #1 houses Engine 1 and

Brush 1. Chief Jenkins stated that staff recommends disposing of Engine 2 (1994 Pierce) by using a public auction to attract potential buyers. There was discussion.

G. DISCUSS A LEGISLATIVE UPDATE BY THE CITY ATTORNEY'S OFFICE REGARDING THE 88TH TEXAS LEGISLATIVE SESSION.

Ms. Akers stated that during this Legislative session, over 8,100 bills and joint resolutions were filed, breaking the record for most bills filed in a session. The update provided information and there was discussion about bills that are most impactful to cities.

RECESS: Mayor White announced that the Council would recess for a break at 7:30 p.m.

REGULAR MEETING

ITEM 1. CALL TO ORDER.

Mayor Lew White called the meeting to order at 7:47 p.m.

ITEM 2. INVOCATION, PLEDGE OF ALLEGIANCE.

Mayor Pro-Tem Sanchez 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. There were none.

ITEM 4. CONSENT AGENDA

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

The following are the consent agenda items that were approved:

- A. Approve City Council minutes of the February 7, 2023 meeting.
- B. Approve Resolution 2023-05 authorizing the City Manager to enter an amended Advance Funding Agreement (AFA) with the Texas Department of Transportation (TxDOT) for the replacement or rehabilitation of the North Blanco Street Bridge over Town Branch Creek.

ITEM 5-A. DISCUSSION AND/OR ACTION REGARDING THE PROPOSED TEXAS MONTHLY 2023 BBQ WORLD'S FAIR EVENT SPONSORSHIP AGREEMENT FOR THE NOVEMBER 4-5, 2023 TEXAS MONTHLY BBQ WORLD'S FAIR EVENT.

Mayor Pro-Tem Sanchez made a motion to approve the Agreement with Texas Monthly for the 2023 BBQ World's Fair event. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

ITEM 5-B. CONSIDER AND POSSIBLE ACTION TO ADOPT ORDINANCE NO. 2023-07 TO PROVIDE A NATURAL GAS FRANCHISE TO UNIVERSAL GAS COMPANY.

Councilmember Michelson made a motion to approve Ordinance 2023-07, as presented. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 5-C. DISCUSSION AND/OR ACTION TO CONSIDER THE SALE OF ENGINE 2, A 1994 PIERCE PUMPER BY PUBLIC AUCTION.

Mayor Pro-Tem Sanchez made a motion to approve the sale of Engine 2, A 1994 Pierce Pumper by public auction, as presented. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 5-D. DISCUSSION AND/OR ACTION TO CONSIDER A LEGISLATIVE UPDATE BY THE CITY ATTORNEY'S OFFICE REGARDING THE 88TH TEXAS LEGISLATIVE SESSION.

Mayor White stated that the update was given during the work session.

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

- Update on coordination with TxDOT regarding a feasibility study for future SH 142 improvements.
- Swearing In Ceremony and reception for new Police Chief will be held on April 10, 2023 at 5:30 p.m. in the Council Chambers.

7. COUNCIL AND STAFF COMMENTS - ITEMS OF COMMUNITY INTEREST

Councilmember Westmoreland thanked the street sweeper for keeping the streets clean. He reminded citizens about the requirement of blowing debris out of the street after mowing your yard.

Councilmember Mendoza wished everyone a Happy Easter and encouraged everyone to be safe.

Mayor Pro-Tem Sanchez expressed condolences to families that have recently lost a loved one. She congratulated the Hispanic Chamber for a successful annual banquet. She thanked the Hispanic Chamber for honoring her as the recipient of an award. She congratulated the Lockhart Education Foundation for the successful *50 Lions Who Can Cook* event. She also congratulated Downtown Association for a successful Sip-n-Stroll event.

Councilmember McGregor reminded everyone about First Friday and she wished everyone a Happy Easter.

Councilmember Castillo expressed condolences to families that have recently lost a loved one. He congratulated the Lockhart Education Foundation for successful event and he thanked all for participating in community events. He thanked staff for their work.

Councilmember Michelson congratulated the Downtown Association for successful Sip-n-Stroll event. He congratulated the Lockhart Education Foundation for a successful *50 Lions Who Can Cook* event.

Mayor White expressed appreciation for the successful events the past few weeks. He thanked the Lockhart Education Foundation for their successful event. He expressed condolences to families that have lost a loved one.

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. Seek advice from the City Attorney regarding City authority and options in regard to development in the City's ETJ.

Mayor White announced that the Council would enter Executive Session at 8:05 p.m.

9. OPEN SESSION

Mayor White announced that the Council would enter Open Session at 9:00 p.m.

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 9:02 p.m.

PASSED and APPROVED this the 19th day of March, 2024.

CITY OF LOCKHART

Lew White, Mayor

ATTEST:

Julie Bowermon
City Secretary

**REGULAR MEETING
LOCKHART CITY COUNCIL**

APRIL 18, 2023

6:30 P.M.

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

Council present:

Councilmember John Castillo
Councilmember Juan Mendoza
Councilmember Jeffry Michelson

Mayor Lew White
Councilmember Brad Westmoreland
Councilmember Kara McGregor
Mayor Pro-Tem Angie Gonzales-Sanchez

Staff present:

Steve Lewis, City Manager
David Fowler, Planning Director
Julie Bowermon, Civil Service/HR Director
Mike Kamerlander, Interim Economic Development Director
Travis Hughes, Parks Director

Monte Akers, City Attorney
Sean Kelley, Public Works Director
Pam Larison, Finance Director
Gary Williamson, Police Chief

Citizens/Visitors Addressing the Council: Caitlin Admire of Freese and Nichols; Will Wachel of TRC Engineering; Brian Baitin of Titan Lockhart Land Investors; James Hemenes of Halff; Luke Caraway of Viewpoint Engineering; Mark Estrada, Lockhart Independent School District Superintendent; and, Dr. John Turner.

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, SECTION 551.087, TO DELIBERATE OR 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.

Mayor White announced that the Council would enter Executive Session at 6:35 p.m. to discuss the following:

- A. Discussion regarding economic development negotiations with Project Apple Pie.
- B. Discussion regarding economic development negotiations with Project Titan.

OPEN SESSION

Mayor White announced that the Council would go into Open Session at 6:50 p.m. and he reconvened the meeting.

A. Discussion regarding economic development negotiations with Project Apple Pie.

Mayor Pro-Tem Sanchez made a motion to authorize the City Manager to negotiate incentives with the prospect Apple Pie, as discussed in the closed session. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

B. Discussion regarding economic development negotiations with Project Titan.

Mayor White stated that the item would be voted on during the regular meeting.

Work Session resumed.

B. DISCUSS AMENDED AND RENEWAL OF INTERLOCAL AGREEMENT WITH PLUM CREEK WATER PARTNERSHIP AND AUTHORIZING THE CITY MANAGER TO SIGN THE DOCUMENT IF APPROVED.

Mr. Kelley stated that the Plum Creek Partnership was created in 2006 and was established to restore and protect the waters of the Plum Creek. In 2011, the City along with the other governmental agencies and utilities entered into an Interlocal Agreement regarding the partnership, which was renewed January 1, 2018. The Amended and Renewal Interlocal Agreement establishes the primary responsibilities and tasks of the Plum Creek Watershed Coordinator, found on Attachments A & B. The agreement also sets forth the annual financial commitment for each entity based on population and square miles. The City's annual commitment is \$2,686. The term of the agreement is for (1) year and will automatically renew each year.

C. DISCUSS A PROFESSIONAL SERVICES CONTRACT WITH FREESE AND NICHOLS FOR DEVELOPMENT OF A COMPREHENSIVE PLAN UPDATE.

Mr. Fowler stated that on January 10, 2023, City Planning staff issued a Request for Qualifications (RFQ) for Comprehensive Planning Services, specifying a deadline date for submissions of February 10. The city received 5 submissions in response to the RFQ. From the submissions, three finalists were selected, with in-person interviews occurring on March 22, 2023. From the interviews, Freese and Nichols emerged as the staff's choice to provide planning services. The City Attorney has reviewed the provided contract materials. Under the terms of the contract, the planning process is scheduled to last for 18 months. Several meetings and events will be held as part of the planning process, including a kick-off meeting, five meetings of a comprehensive plan advisory committee, 10 smaller stakeholder meetings or community presentations, and three larger community events. As part of the process, two update briefings to City Council would be provided, as well as adoption meetings with the Planning and Zoning Commission and City Council. During the plan process Freese and Nichols will create and maintain a Comprehensive Plan website that will have interactive elements in both English and Spanish. Based on the scope of services to be provided, Freese and Nichols is requesting \$231,032 for completion of the specified services. \$100,000 has been allocated for the current fiscal year, while \$131,032 would need to be allocated for the plan in the upcoming budget for the 2024 fiscal year.

Caitlin Admire of Freese and Nichols provided information about the firm's plan to conduct the Comprehensive Plan update. There was discussion.

D. DISCUSS A CHAPTER 380 INCENTIVE AGREEMENT WITH TITAN LOCKHART LAND INVESTORS, LLC.

Mr. Kamerlander stated that Titan is currently under contract for 31.485 acres for \$2.89 million in LEDC's Industrial Park 3. During Titan's due diligence period on the property unexpected additional costs were determined by the company. To incentivize this closing and to ensure a development of a new speculative building, the Chapter 380 agreement before City Council provides a 50% rebate of road impact fees up

\$326,000 and require an investment in a building and the property to be at least \$16 million. The taxes realized by the City for this new industrial development would be approximately \$100,000 per year not including whatever personal property would go into the building which would be added by the, at this moment unidentified, tenant. Titan must submit plans for a site permit within 180 days after closing and complete construction and obtain a certificate of occupancy within 18 months from a building permit issued by the City of Lockhart.

Brian Baitin of Titan Lockhart Land Investors provided information about the progress on the construction and the progress of the development.

E. DISCUSS ENTERING A PROFESSIONAL SERVICES AGREEMENT WITH TRC REGARDING THE DEVELOPMENT OF A WATER/WASTEWATER MASTER PLAN.

Mr. Kelley stated that during the Growth Planning Workshops, projected growth trends, regulatory agency triggers/ milestones, and utility capacities were discussed. An outcome of the meeting was the recommendation to engage and develop a Water and Wastewater Master Plan to keep up with the growing demand of the water and wastewater utility systems.

The Water and Wastewater Master Plan will evaluate the existing water and wastewater system conditions. The plan is a forward-looking study that aims to anticipate system constraints by addressing and removing them prior to occurrence. The scope of work for the Master Plan includes:

- Distribution System Water Modeling and Evaluation of the Potable Water System (Review existing data/ infrastructure, filling gaps in data, peak/average/minimum demands, WTP, storage capacities, pressure planes, flow patterns and future flow projections)
- Collection System Modeling and Evaluation of Wastewater System (Review existing data/infrastructure, survey flows/ evaluations/ pipe diameters, evaluated rain data collected, lift stations, WWTPs)
- Progress Meeting and Presentation to City Council, Planning and Zoning Commission, and staff

Mr. Kelley stated that the Master Plan will also create a companion Capital Improvement Plan Document that will address the timing, milestone horizons and probable costs for improvements that will be necessary. This document will aid staff in budgeting and planning capital improvements.

Will Wachel of TRC Engineering provided details about the aspects that the firm will focus on to generate a water/wastewater master plan to accommodate the city's needs.

There was discussion.

F. DISCUSS THE MID-YEAR FINANCIAL REPORT FOR FISCAL YEAR 2023.

Ms. Larison 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 the 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 Financial Officers of America (GFOA). She provided detailed information of the Mid-Year Finance Report for Fiscal Year 2023. There was discussion.

G. DISCUSS THE 2ND QUARTER INVESTMENT REPORT FOR FISCAL YEAR 2022-23.

Ms. Larison stated that the Public Funds Investment Act requires local governments to review and accept

Quarterly Investment Reports for each quarterly reporting period of the year. She provided details about the 2nd Quarter for Fiscal Year 2023, ending March 31, 2023.

H. DISCUSS ORDINANCE 2023-08 VACATING AND ABANDONING APPROXIMATELY 0.112 ACRES OF UNUSED PUBLIC RIGHT-OF-WAY CONSISTING OF AN ALLEY RANGING FROM 7 TO 12 FEET IN WIDTH EXTENDING SOUTHWARD FROM THE 200 BLOCK OF WEST OLIVE STREET AND A 10-FOOT WIDE ALLEY EXTENDING WESTWARD FROM THE SOUTHERN TERMINUS OF THE SOUTHWARD ALLEY TOWARDS THE 800 BLOCK OF NORTH BLANCO STREET.

Mr. Fowler stated that the owners of neighboring properties have petitioned the City to release the alley connecting North Blanco Street to West Olive Street. The property owners have expressed interest in platting their properties to include their share of the alley area and fencing the property lines to reflect the portions of the property that they would acquire. The alley is not paved, and none of the subject right-of-way has been used for any purpose by the City, and it is not anticipated that it will be needed in the future. If the alley is abandoned, a deed or deeds will be created, through which abutting residents would each obtain half of the right-of-way, to the center of the alley. There was discussion.

I. DISCUSS A WORK AUTHORIZATION FOR HALFF ASSOCIATES, UNDER THE MASTER GENERAL SERVICES AGREEMENT, TO RENOVATE LIONS PARK.

Mr. Hughes stated that Halff Associates has been contracted to provide General Services for the Parks & Recreation Department to renovate the city parks and assist with ongoing projects. The third Work Authorization provides for the scope of work to renovate Lions Park. He stated that the firm's name has changed from Halff Associates to Halff. He provided details about the renovation of the Lions Park and stated that they would be delicate with the historic Brock Cabin during the renovation.

James Hemenes of Halff stated that the renovation could take approximately four months and he provided a brief detail about the project timeline. There was discussion.

RECESS: Mayor White announced that the Council would recess for a break at 7:45 p.m.

REGULAR MEETING

ITEM 1. CALL TO ORDER.

Mayor Lew White called the meeting to order at 8:07 p.m.

ITEM 2. INVOCATION, PLEDGE OF ALLEGIANCE.

Councilmember Mendoza 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. There were none.

ITEM 4-A. POSTPONE PUBLIC HEARING REGARDING APPLICATION ZC-23-03 BY MONTE J. GUIDRY REQUESTING A ZONING CHANGE FROM CHB COMMERCIAL HEAVY BUSINESS DISTRICT TO TO RMD RESIDENTIAL MEDIUM DENSITY DISTRICT

ON A TOTAL OF 0.205 ACRES IN THE BYRD LOCKHART LEAGUE, ABSTRACT NO. 17, LOCATED AT 1013 NORTH COLORADO STREET (US 183) UNTIL MAY 16, 2023 AT 7:30 PM.

Mayor White announced that the public hearing would be postponed until May 16, 2023.

ITEM 6-F. DISCUSSION AND/OR ACTION TO CONSIDER ADOPTION OF ORDINANCE 2023-08 VACATING AND ABANDONING APPROXIMATELY 0.112 ACRES OF UNUSED PUBLIC RIGHT-OF-WAY CONSISTING OF AN ALLEY RANGING FROM 7 TO 12 FEET IN WIDTH EXTENDING SOUTHWARD FROM THE 200 BLOCK OF WEST OLIVE STREET AND A 10-FOOT WIDE ALLEY EXTENDING WESTWARD FROM THE SOUTHERN TERMINUS OF THE SOUTHWARD ALLEY TOWARDS THE 800 BLOCK OF NORTH BLANCO STREET.

Mayor Pro-Tem Sanchez made a motion to approve Ordinance 2023-08, as presented. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

ITEM 5-A. CONSENT AGENDA - APPROVE AMENDED AND RENEWAL OF INTERLOCAL AGREEMENT WITH PLUM CREEK WATER PARTNERSHIP AND AUTHORIZING THE CITY MANAGER TO SIGN THE DOCUMENT IF APPROVED.

Councilmember Michelson made a motion to approve the Amended and Renewal of Interlocal Agreement with Plum Creek Water Partnership, as presented. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 6-A. PRESENTATION AND CONSIDERATION OF A PROFESSIONAL SERVICES CONTRACT WITH FREESE AND NICHOLS FOR DEVELOPMENT OF A COMPREHENSIVE PLAN UPDATE.

Mayor Pro-Tem Sanchez made a motion to approve the Professional Services Contract with Freese and Nichols, as presented. Councilmember Castillo seconded. The motion passed by a vote of 7-0.

ITEM 6-B. DISCUSSION AND/OR ACTION REGARDING A CHAPTER 380 INCENTIVE AGREEMENT WITH TITAN LOCKHART LAND INVESTORS, LLC.

Councilmember McGregor made a motion to approve a Chapter 380 Incentive Agreement with Titan Lockhart Land Investors, LLC, as discussed. Councilmember Castillo seconded. The motion passed by a vote of 7-0.

ITEM 6-C. DISCUSSION AND/OR ACTION TO CONSIDER ENTERING A PROFESSIONAL SERVICES AGREEMENT WITH TRC REGARDING THE DEVELOPMENT OF A WATER/WASTEWATER MASTER PLAN.

Councilmember Michelson made a motion to approve a Professional Services Agreement with TRC for the development of a water/wastewater master plan, as presented. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 6-D. DISCUSSION AND CONSIDERATION OF THE MID-YEAR FINANCIAL REPORT FOR FISCAL YEAR 2023.

Mayor Pro-Tem Sanchez made a motion to approve the Mid-Year Financial Report for Fiscal Year 2023, as presented. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 6-E. DISCUSSION AND CONSIDERATION OF THE 2ND QUARTER INVESTMENT REPORT FOR FISCAL YEAR 2022-23.

Mayor Pro-Tem Sanchez made a motion to approve the 2nd Quarter Investment Report for Fiscal Year 2022-2023, as presented. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 6-G. DISCUSSION AND/OR ACTION REGARDING A WORK AUTHORIZATION FOR HALFF ASSOCIATES, UNDER THE MASTER GENERAL SERVICES AGREEMENT, TO RENOVATE LIONS PARK.

Councilmember Michelson made a motion to approve a work authorization for Halff under the Master General Services Agreement to renovate the Lions Park, as presented. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 6-H. PRESENTATION BY RED OAK DEVELOPMENT AND DISCUSSION REGARDING A PROPOSED MASTER-PLANNED COMMUNITY OF APPROXIMATELY 500 ACRES NEAR THE INTERSECTION OF FM 1322 AND SEAWILLOW ROAD.

Mr. Fowler stated that in mid-2022 Red Oak development contacted staff regarding proposed development in what was then the City's ETJ. The first project resulting from this effort is the Seawillow subdivision, which consists of approximately 420 single-family residential units on 89.775 acres east of the Summerside Subdivision. This area was annexed into the City in September 2022 and the Preliminary Plat was approved in March 2023. The second project is the one to be discussed in the scheduled workshop; an approximately 500-acre mixed-use development including several types of residential, commercial, parkland and other development areas, including a school parcel. This development is largely located in the Lockhart ETJ, immediately east of the Seawillow subdivision. Despite being adjacent to the city limits, the applicant does not plan to annex the project into the city and extend city utilities to the project area. This project is instead proposed as a Municipal Utility District (MUD) which would remain outside the city, despite the fact that the project abuts the city and would be adjacent to a subdivision served by City utilities. The applicant has provided a document which answers several questions from city staff regarding the type of development proposed and the sources of major types of public services. The applicant held a workshop at the April 12th Planning and Zoning Commission meeting. Several questions were asked regarding the reason for the project not being located in the City, despite the site's location adjacent to the city limits. The City Attorney suggested the possibility of financing using a Public Improvement District (PID) instead of a MUD in order to allow the project to be located in the city, which would provide much greater tax revenue for the city in comparison to a MUD within the City's ETJ.

Luke Caraway of Viewpoint Engineering on behalf of Red Oak Development stated that Red Oak will donate 40 acres to the Lockhart Independent School District. He provided details about the development of teacher housing and building a new school.

Mark Estrada, Lockhart Independent School District (LISD) Superintendent provided details about the project which entailed building a new school and building affordable housing dedicated for LISD teachers.

Mr. Caraway provided additional information about the development that also includes a proposed Regional Hospital and medical offices.

Dr. John Turner provided information about the plan to provide medical care to the community. He stated that the hospital would primarily be for out-patient medical procedures and short-term hospital stays in addition to possibly adding emergency medical services. The hospital will initially be built to

accommodate the current population and it will have the opportunity to add to the hospital building as the population increases.

There was discussion.

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

- Fire Station No. 1 project update.
- Recommendations from the Impact Fee Advisory Committee will be considered in a public hearing on May 2nd.
- Update on TXDOT landscaping / irrigation improvements at the overpass located at U.S. 183 and Cemetery Street.
- Update on improvements in Nueces Park.

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

Councilmember Westmoreland asked citizens to be patient with the construction on Highway 142.

Councilmember Mendoza thanked the Lower Colorado River Authority for the step forward day. He commended staff for painting the picnic tables at the City Park.

Mayor Pro-Tem Sanchez expressed condolences to families that have recently lost a loved one. She congratulated El Leon Cigar Company and Mr. Cisneros who celebrated their 2nd Anniversary.

Councilmember McGregor reminded citizens about the Old Settlers Festival this weekend.

Councilmember Castillo invited everyone to the Mariachi del Fiesta at the Library. He thanked staff for the improvements at Nueces Park.

Councilmember Michelson thanked staff for sidewalk improvements. He welcomed Chief Williamson to the Lockhart Police Department.

Mayor White invited everyone to the Courthouse Nights event this weekend and to the Running of the Bulls event on Saturday. He provided details about the upcoming Cinco de Mayo event.

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 9:31.

PASSED and APPROVED this the 19th day of March, 2024.

CITY OF LOCKHART

Lew White, Mayor

ATTEST:

Julie Bowermon
City Secretary

**REGULAR MEETING
LOCKHART CITY COUNCIL**

MAY 2, 2023

6:30 P.M.

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

Council present:

Councilmember John Castillo
Councilmember Juan Mendoza
Councilmember Jeffry Michelson

Mayor Lew White
Councilmember Brad Westmoreland
Councilmember Kara McGregor
Mayor Pro-Tem Angie Gonzales-Sanchez

Staff present:

Steve Lewis, City Manager
David Fowler, Planning Director
Julie Bowermon, Civil Service/HR Director

Monte Akers, City Attorney
Sean Kelley, Public Works Director
Travis Hughes, Parks Director

Citizens/Visitors Addressing the Council: Eddie Haus of Freese and Nichols; Citizen: Molly Salas; and, Jeff Meadows 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 AND UPDATE ON CITY OF LOCKHART WAYFINDING PROJECT AND KEEP LOCKHART BEAUTIFUL GCAA TXDOT HIGHWAY IMPROVEMENT PROJECT.

Mr. Hughes stated that the City of Lockhart is developing a wayfinding plan that will include signage at the major entryways into the city, as well as informational, transportation, and pedestrian wayfinding signage. A master plan has been developed and unit pricing has been obtained for the signage. The Keep Lockhart Beautiful GCAA project is a Texas Department of Transportation (TxDOT) highway improvement project utilizing grant funds. The project will transform the space beneath the Highway 183 overpass into a pedestrian gateway into City Park. There was discussion.

B. DISCUSS THE APPOINTMENT OF A STEERING COMMITTEE FOR THE COMPREHENSIVE PLAN AND POSSIBLE SIZE AND MEMBERSHIP OF THE STEERING COMMITTEE.

Mr. Fowler stated this item is a discussion of the formation of a steering committee for the comprehensive planning process. The planning process is expected to last for 18 months. Freese and Nichols anticipates holding 5 public meetings to initiate the project, discuss key topics, explore possible scenarios, review draft work products, and craft the final comprehensive plan document. It is the city's responsibility to appoint a steering committee for the planning process that the city feels provides proper representation of key city issues and constituencies. The purpose of this discussion is to come to an understanding of the need to create a steering committee, and discuss the potential size and composition of the committee. The next step would be council appointment of members based upon this discussion at a future meeting. There will be an action item at a future meeting to nominate and appoint members of the steering committee.

Eddie Haus of Freese and Nichols provided information about the role of the focus groups and surveys.

Mayor White requested that the Council provide staff with suggestions of the composition of the steering committee so that Council can discuss and consider creating the committee during the next meeting.

C. DISCUSS THE NOMINATION OF JULIA HAUG TO THE PLANNING AND ZONING COMMISSION BY COUNCILMEMBER JUAN MENDOZA FOR A TERM TO EXPIRE IN NOVEMBER 2025.

There was discussion regarding Ms. Haug's qualifications.

RECESS: Mayor White announced that the Council would recess for a break at 7:11 p.m.

REGULAR MEETING

ITEM 1. CALL TO ORDER,

Mayor Lew White called the meeting to order at 7:30 p.m.

ITEM 2. INVOCATION, PLEDGE OF ALLEGIANCE.

Mayor Pro-Tem Sanchez 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.

Molly Salas, 1310 Clearfork Street, expressed concern about why the neighbors continuously complain about her yard. She stated that she is tired of the complaints and asked that the city be concerned about other properties in the city that have much more litter and debris than her property.

ITEM 4-A. HOLD A PUBLIC HEARING, DISCUSSION AND/OR ACTION TO CONSIDER ORDINANCE 2023-09, AMENDING CHAPTER 31 "IMPACT FEES" OF THE CODE OF ORDINANCES, INCORPORATING UPDATED LAND USE ASSUMPTIONS AND UPDATED WATER, WASTEWATER, AND ROADWAY CAPITAL IMPROVEMENTS PLANS AS EXHIBITS, AMENDING THE FEES FOR WATER, WASTEWATER, AND ROAD IMPACT FEES AS SET FORTH IN APPENDIX I; AMENDING AFFECTED SECTIONS REFERENCING THE UPDATED APPENDICES AND EXHIBITS; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALER; AND ESTABLISHING AN EFFECTIVE DATE.

Mayor White opened the public hearing at 7:35 p.m. and requested the staff background report.

Mr. Fowler stated that the public hearing for proposed revisions to Chapter 31, Impact Fees, of the Lockhart Code of Ordinances. The Ordinance, 2023-09, could be approved at this meeting if the Council feels that all proposed assumptions, projects, and fees are appropriate. City Council may also vote to approve the revisions to Chapter 31 at the Council meeting to be held May 16th without having to re-advertise the hearing.

Eddie Haus of Freese and Nichols provided an update about how land use assumptions and road impact fees benefit the city. He stated that Bastrop, Kyle nor San Marcos currently have road impact fees. There was discussion.

Jeff Meadows of TRC provided an update about the water and wastewater impact fees.

Mr. Fowler provided an update about the previous water, wastewater and roadway impact fees and the new impact fees to be assessed/collected if adopted as presented in Ordinance 2023-09. There was discussion.

Mayor White requested citizens in favor of or against the impact fees to address the Council. There were none. He closed the public hearing at 8:47 p.m.

Mayor Pro-Tem Sanchez made a motion to approve Ordinance 2023-09, as presented. Councilmember McGregor seconded. The motion passed by a vote of 4-3, with Mayor White and Councilmembers Michelson and Mendoza opposing.

ITEM 5-A. DISCUSSION AND DIRECTION REGARDING THE APPOINTMENT OF A STEERING COMMITTEE FOR THE COMPREHENSIVE PLAN AND POSSIBLE SIZE AND MEMBERSHIP OF THE STEERING COMMITTEE.

Mayor White requested that Council provide him with recommendations about the qualifications and number of members of the steering committee by next week. He will work with staff on an agenda item to consider the creation of the committee on the next council agenda.

ITEM 5-B. DISCUSSION AND/OR ACTION REGARDING THE NOMINATION OF JULIA HAUG TO THE PLANNING AND ZONING COMMISSION BY COUNCILMEMBER JUAN MENDOZA FOR A TERM TO EXPIRE IN NOVEMBER 2025.

Councilmember Mendoza made a motion to appoint Julia Haug to the Planning and Zoning Commission. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 7-0.

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

- Update relative to the Housing and Development Committee's consideration of residential / non-residential landscaping requirements, fees and changes, and single family house repetition design standards.
- City Park Splash Pad opens May 2nd.
- 2023 Sidewalk Improvements update.
- Cinco de Mayo Celebration downtown on Saturday, May 6th.
- May 8th Budget Workshop: Economic Development Corporation, Caldwell County Appraisal District, and General Fund.
- May 9th Budget Workshop: Utility Funds.
- GBRA budget and presentations by non-profits will be included during the June 20th regular City Council meeting.

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

Councilmember Mendoza thanked everyone that participated in the Running of the Bulls and the LISD Color Run. He reminded everyone about the Cinco de Mayo event this weekend.

Mayor Pro-Tem Sanchez expressed condolences to families that have recently lost a loved one. She congratulated all that participated in recent events. She expressed best wishes for a successful Cinco de Mayo event. She expressed best wishes to senior students that selected a college to attend.

Councilmember McGregor invited all to attend upcoming events. She wished the students attending prom the best. She wished her daughter a Happy 21st birthday.

Councilmember Castillo congratulated everyone that attended the Mariachi event this past weekend. He invited all to attend upcoming events. He wished senior students the best and a Happy Birthday to all that have a birthday in May.

Councilmember Michelson wished the Hispanic Chamber the best for a successful Cinco de Mayo event. He congratulated the Lockhart Lion Band for playing at Carnegie Hall.

Mayor White also congratulated the Lockhart Lion Band for playing at Carnegie Hall. He wished graduating students the best and he thanked all involved in community events.

ITEM 8. 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 9:00 p.m.

PASSED and APPROVED this the 19th day of March, 2024.

CITY OF LOCKHART

Lew White, Mayor

ATTEST:

Julie Bowermon
City Secretary

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 19, 2024

AGENDA ITEM CAPTION: Approve Interlocal Cooperation Contract with Texas Department of Public Safety for the Failure to Appear Program (OMNI base.)

ORIGINATING DEPARTMENT AND CONTACT: Municipal Court - Erin Westmoreland

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: The current contract with the Department of Public Safety was signed in February of 2020. This contract allows the court to add and collect \$10 on cases that went into the OMNI system. This program allows the court to put a hold on and prevent offenders from renewing their drivers license until they complete their obligations with the court.

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:

LIST OF SUPPORTING DOCUMENTS: Interlocal contract with DPS 2024, Interlocal contract with DPS 2020

Interlocal Cooperation Contract Failure to Appear Program

State of Texas

County of _____

I. PARTIES AND AUTHORITY

This Interlocal Cooperation Contract (Contract) is entered into between the Department of Public Safety of the State of Texas (DPS), an agency of the State of Texas and the _____ Court of the [City or County] of _____ (Court), a political subdivision of the State of Texas, referred to collectively in this Contract as the Parties, under the authority granted in Tex. Transp. Code Chapter 706 and Tex. Gov't Code Chapter 791 (the Interlocal Cooperation Act).

II. BACKGROUND

A peace officer authorized to issue citations within the jurisdiction of the Court must issue a written warning to each person to whom the officer issues a citation for a traffic law violation. This warning must be provided in addition to any other warnings required by law. The warning must state in substance that if the person fails to appear in court for the prosecution of the offense or if the person fails to pay or satisfy a judgment ordering the payment of a fine and cost in the manner ordered by the Court, the person may be denied renewal of the person's driver license.

As permitted under Tex. Transp. Code § 706.008, DPS contracts with a private vendor (Vendor) to provide and establish an automated Failure to Appear (FTA) system that accurately stores information regarding violators subject to the provisions of Tex. Transp. Code Chapter 706. DPS uses the FTA system to properly deny renewal of a driver license to a person who is the subject of an FTA system entry generated from an FTA Report.

An FTA Report is a notice sent by Court requesting a person be denied renewal of a driver's license in accordance with this Contract. The Court may submit an FTA Report to DPS's Vendor if a person fails to appear or fails to pay or satisfy a judgment as required by law. There is no requirement that a criminal warrant be issued in response to the person's failure to appear.

III. PURPOSE

This Contract applies to each FTA Report submitted by the Court to DPS or its Vendor and accepted by DPS or its Vendor.

IV. PERIOD OF PERFORMANCE

This Contract will be effective on the date of execution and terminate five years from that execution date unless terminated earlier in accordance with Section VII.C, *General Terms and Conditions, Termination*.

V. COURT RESPONSIBILITIES

A. FTA Report

For a matter involving any offense which a Court has jurisdiction of under Tex. Code Crim. Proc. Chapter 4, where a person fails to appear for a complaint or citation or fails to pay or

satisfy a judgment ordering payment of a fine and cost in the manner ordered by the Court, the Court will supply DPS, through its Vendor, an FTA report including the information that is necessary to deny renewal of the driver license of that person. The Court must make reasonable efforts to ensure that all FTA Reports are accurate, complete, and non-duplicative. The FTA Report must include the following information:

1. the jurisdiction in which the alleged offense occurred;
2. the name of the court submitting the report;
3. the name, date of birth, and Texas driver license number of the person who failed to appear or failed to pay or satisfy a judgment;
4. the date of the alleged violation;
5. a brief description of the alleged violation;
6. a statement that the person failed to appear or failed to pay or satisfy a judgment as required by law;
7. the date that the person failed to appear or failed to pay or satisfy a judgment; and
8. any other information required by DPS.

B. Clearance Reports

The Court that files the FTA Report has a continuing obligation to review the FTA Report and promptly submit appropriate additional information or reports to the Vendor. The clearance report must identify the person, state whether or not a fee was required, and advise DPS to lift the denial of renewal and state the grounds for the action. All clearance reports must be submitted immediately, but no later than two business days from the time and date that the Court receives appropriate payment or other information that satisfies the person's obligation to that Court.

To the extent that a Court uses the FTA system by submitting an FTA Report, the Court must collect the statutorily required \$10.00 reimbursement fee from the person who failed to appear, pay or satisfy a judgment ordering payment of a fine and cost in the manner ordered by the Court. If the person is acquitted of the underlying offense for which the original FTA Report was filed or found indigent by the court, the Court will not require payment of the reimbursement fee.

Court must submit a clearance report for the following circumstances:

1. the perfection of an appeal of the case for which the warrant of arrest was issued or judgment arose;
2. the dismissal of the charge for which the warrant of arrest was issued or judgment arose;
3. the posting of a bond or the giving of other security to reinstate the charge for which the warrant was issued;
4. the payment or discharge of the fine and cost owed on an outstanding judgment of the Court; or
5. other suitable arrangement to satisfy the fine and cost within the Court's discretion.

After termination of the Contract, the Court has a continuing obligation to report dispositions and collect fees for all violators in the FTA system at the time of termination. Failure to comply with the continuing obligation to report will result in the removal of all outstanding entries of the Court in the FTA Report, resulting in the lifting of any denied driver license renewal status from DPS.

C. Quarterly Reports and Audits

Court must submit quarterly reports to DPS in a format established by DPS.

Court is subject to audit and inspection at any time during normal business hours and at a mutually agreed upon location by the state auditor, DPS, and any other department or agency, responsible for determining that the Parties have complied with the applicable laws. Court must provide all reasonable facilities and assistance for the safe and convenient performance of any audit or inspection.

Court must correct any non-conforming transactions performed by the Court, at its own cost, until acceptable to DPS.

Court must keep all records and documents regarding this Contract for the term of this Contract and for seven years after the termination of this Contract, or until DPS or the State Auditor's Office (SAO) is satisfied that all audit and litigation matters are resolved, whichever period is longer.

D. Accounting Procedures

Court must keep separate, accurate, and complete records of the funds collected and disbursed and must deposit the funds in the appropriate municipal or county treasury. Court may deposit such fees in an interest-bearing account and retain the interest earned on such accounts for the Court.

Court will allocate \$6.00 of each \$10.00 reimbursement fee received for payment to the Vendor and \$4.00 for credit to the general fund of the municipal or county treasury.

E. Non-Waiver of Fees

Court will not waive the \$10.00 reimbursement fee for any person that has been submitted on an FTA Report, unless any of the requirements in Tex. Trans. Code § 706.006(a) or §706.006(d) are met.

Failure to comply with this section will result in: (i) termination of this Contract for cause; and (ii) the removal of all outstanding entries of the Court in the FTA Report, resulting in the lifting of any denied driver license renewal status from DPS.

F. Litigation Notice

The Court must make a good-faith attempt to immediately notify DPS in the event that the Court becomes aware of litigation in which this Contract or Tex. Transp. Code Chapter 706 is subject to constitutional, statutory, or common-law challenge, or is struck down by judicial decision.

VI. DPS's RESPONSIBILITIES

DPS will not continue to deny renewal of the person's driver license after receiving notice from the Court that the FTA Report was submitted in error or has been destroyed in accordance with the Court's record retention policy.

VII. PAYMENTS TO VENDOR

Court must pay the Vendor a fee of \$6.00 per person for each violation that has been reported to the Vendor and for which the Court has subsequently collected the statutorily required \$10.00 reimbursement fee. In the event that the fee has been waived by Tex. Trans. Code § 706.006(a) or §706.006(d), no payment will be made to the Vendor.

Court agrees that payment will be made to the Vendor no later than the last day of the month following the close of the calendar quarter in which the payment was received by the Court.

DPS will not pay Vendor for any fees that should have been submitted by a Court.

VIII. GENERAL TERMS AND CONDITIONS

- A. **Compliance with Law.** This Contract is governed by and construed under and in accordance with the laws of the State of Texas. The Court understands and agrees that it will comply with all local, state, and federal laws in the performance of this Contract, including administrative rules adopted by DPS.
- B. **Notice.** The respective party will send the other party notice as noted in this section. Either party may change its information by giving the other party written notice and the effective date of the change.

Court	Department of Public Safety
Attn.:	Enforcement & Compliance Service
Address:	5805 North Lamar Blvd., Bldg A
Address:	Austin, Texas 78752-0001
Fax:	(512) 424-5311 [fax]
Email:	Driver.Improvement@dps.texas.gov
Phone:	(512) 424-7172

C. Termination.

Either party may terminate this Contract with 30 days' written notice.

DPS may also terminate this Contract for cause if Court doesn't comply with Section V.C., *Quarterly Reports and Audits* and V.E., *Non- Waiver of Fees*.

If either Party is subject to a lack of appropriations that are necessary for that Party's performance of its obligations under this Contract, the Contract is subject to immediate cancellation or termination, without penalty to either Party.

D. Amendments.

This contract may only be amended by mutual written agreement of the Parties.

E. Miscellaneous.

1. The parties shall use the dispute resolution process provided for in Chapter 2260 of the Texas Government Code to resolve any disputes under this Contract; provided

however nothing in this paragraph shall preclude either Party from pursuing any remedies available under Texas law.

- 2. This Contract shall not constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to either Party or the State of Texas.
- 3. Any alterations, additions, or deletions to the terms of the contract that are required by changes in federal or state law or regulations are automatically incorporated into the contract without written amendment hereto, and shall become effective on the date designated by such law or by regulation.

CERTIFICATIONS

The Parties certify that (1) the Contract is authorized by the governing body of each party; (2) the purpose, terms, rights, and duties of the Parties are stated within the Contract; and (3) each party will make payments for the performance of governmental functions or services from current revenues available to the paying party.

The undersigned signatories have full authority to enter into this Contract on behalf of the respective Parties.

Court*	Department of Public Safety
_____	_____
Authorized Signatory	Driver License Division Chief or Designee

Title	

Date	Date
_____	_____

*An additional page may be attached if more than one signature is required to execute this Contract on behalf of the Court. Each signature block must contain the person’s title and date.

RECEIVED
MAR 25 2020

DPS # DLD20180628 (Revised 01/2020)

BY: KH

Interlocal Cooperation Contract
Failure to Appear (FTA) Program

State of Texas

County of Caldwell

RECEIVED

MAR 10 2020

Enforcement & Compliance

I. PARTIES AND AUTHORITY

This Interlocal Cooperation Contract (Contract) is entered into between the Department of Public Safety of the State of Texas (DPS), an agency of the State of Texas and the Lockhart Municipal Court of the [City or County] of Lockhart (Court), a political subdivision of the State of Texas, referred to collectively in this Contract as the Parties, under the authority granted in Tex. Transp. Code Chapter 706 and Tex. Gov't Code Chapter 791 (the Interlocal Cooperation Act).

II. BACKGROUND

As permitted under Tex. Transp. Code § 706.008, DPS contracts with a private vendor (Vendor) to provide and establish an automated FTA system that accurately stores information regarding violators subject to the provisions of Tex. Transp. Code Chapter 706. DPS uses the FTA system to properly deny renewal of a driver license to a person who is the subject of an FTA system entry.

III. PURPOSE

This Contract applies to each FTA Report submitted by the Court to DPS or its Vendor and accepted by DPS or its Vendor.

Court will supply information to DPS, through its Vendor, that is necessary to deny renewal of the driver license of a person who fails to appear for a complaint or citation or fails to pay or satisfy a judgment ordering payment of a fine and cost in the manner ordered by the Court in a matter involving any offense that Court has jurisdiction of under Tex. Code Crim. Proc. Chapter 4.

IV. PERIOD OF PERFORMANCE

This Contract will be effective on the date of execution and will automatically renew on the anniversary date of execution for up to three additional years unless terminated earlier.

V. COURT RESPONSIBILITIES

A. Written warnings

A peace officer authorized to issue citations within the jurisdiction of the Court must issue a written warning to each person to whom the officer issues a citation for a traffic law violation. This warning must be provided in addition to any other warnings required by law. The warning must state in substance that if the person fails to appear in court for the prosecution of the offense or if the person fails to pay or satisfy a judgment ordering the payment of a fine and cost in the manner ordered by the Court, the person may be denied

renewal of the person's driver license. The written warning may be printed on the citation or on a separate instrument.

B. FTA Report

An FTA Report is a notice sent by Court requesting a person be denied renewal in accordance with this Contract. The Court may submit an FTA Report to Vendor if a person fails to appear or fails to pay or satisfy a judgment as required by law. There is no requirement that a criminal warrant be issued in response to the person's failure to appear. The Court must make reasonable efforts to ensure that all FTA Reports are accurate, complete, and non-duplicative. The FTA Report must include the following information:

1. the jurisdiction in which the alleged offense occurred;
2. the name of the court submitting the report;
3. the name, date of birth, and Texas driver license number of the person who failed to appear or failed to pay or satisfy a judgment;
4. the date of the alleged violation;
5. a brief description of the alleged violation;
6. a statement that the person failed to appear or failed to pay or satisfy a judgment as required by law;
7. the date that the person failed to appear or failed to pay or satisfy a judgment; and
8. any other information required by DPS.

C. Clearance Reports

The Court that files the FTA Report has a continuing obligation to review the FTA Report and promptly submit appropriate additional information or reports to the Vendor. The clearance report must identify the person, state whether or not a fee was required, and advise DPS to lift the denial of renewal and state the grounds for the action. All clearance reports must be submitted immediately, but no later than two business days, from the time and date that the Court receives appropriate payment or other information that satisfies the person's obligation to that Court.

To the extent that a Court uses the FTA system by submitting an FTA Report, the Court must collect the statutorily required \$10.00 reimbursement fee. If the person is acquitted of the underlying offense for which the original FTA Report was filed, the Court will not require payment of the reimbursement fee.

Court must submit a clearance report for the following circumstances:

1. the perfection of an appeal of the case for which the warrant of arrest was issued or judgment arose;
2. the dismissal of the charge for which the warrant of arrest was issued or judgment arose;
3. the posting of a bond or the giving of other security to reinstate the charge for which the warrant was issued;
4. the payment or discharge of the fine and cost owed on an outstanding judgment of the Court; or

5. other suitable arrangement to pay the fine and cost within the Court's discretion.

DPS will not continue to deny renewal of the person's driver license after receiving notice from the Court that the FTA Report was submitted in error or has been destroyed in accordance with the Court's record retention policy.

D. Quarterly Reports and Audits

Court must submit quarterly reports to DPS in a format established by DPS.

Court is subject to audit and inspection at any time during normal business hours and at a mutually agreed upon location by the state auditor, DPS, and any other department or agency, responsible for determining that the Parties have complied with the applicable laws. Court must provide all reasonable facilities and assistance for the safe and convenient performance of any audit or inspection.

Court must correct any non-conforming transactions performed by the Court, at its own cost, until acceptable to DPS.

Court must keep all records and documents regarding this Contract for the term of this Contract and for seven years after the termination of this Contract.

E. Accounting Procedures

Court must keep separate, accurate, and complete records of the funds collected and disbursed and must deposit the funds in the appropriate municipal or county treasury. Court may deposit such fees in an interest-bearing account and retain the interest earned on such accounts for the Court.

Court will allocate \$6.00 of each \$10.00 reimbursement fee received for payment to the Vendor and \$4.00 for credit to the general fund of the municipal or county treasury.

F. Non-Waiver of Fees

Court will not waive the \$10.00 reimbursement fee for any person that has been submitted on an FTA Report, unless the person is deemed to be indigent, or the person is acquitted of the charges for which the person failed to appear.

Failure to comply with this section will result in: (i) termination of this Contract for cause; and (ii) the removal of all outstanding entries of the Court in the FTA Report, resulting in the lifting of any denied driver license renewal status from DPS.

G. Litigation Notice

The Court must make a good-faith attempt to immediately notify DPS in the event that the Court becomes aware of litigation in which this Contract or Tex. Transp. Code Chapter 706 is subject to constitutional, statutory, or common-law challenge, or is struck down by judicial decision.

VI. PAYMENTS TO VENDOR

Court must pay the Vendor a fee of \$6.00 per person for each violation which has been reported to the Vendor and for which the Court has subsequently collected the statutorily required \$10.00 reimbursement fee. In the event that the person has been acquitted of the underlying charge or is indigent, no payment will be made to the Vendor or required of the Court.

Court agrees that payment will be made to the Vendor no later than the last day of the month following the close of the calendar quarter in which the payment was received by the Court.

DPS will not pay Vendor for any fees collected by Court.

VII. GENERAL TERMS AND CONDITIONS

- A. Compliance with Law.** The Court understands and agrees that it will comply with all local, state, and federal laws in the performance of this Contract, including administrative rules adopted by DPS.
- B. Contract Amendment.** DPS and Court may amend this Contract through a written amendment signed by an authorized signatory on behalf of the respective party.
- C. Notice.** The respective party will send the other party notice as noted in this section.

Court	Department of Public Safety
Attn.:	Enforcement & Compliance Service
Address:	5805 North Lamar Blvd.
Address:	Austin, Texas 78752-0001
Fax:	(512) 424-5311 [fax]
Email:	Driver.Improvement@dps.texas.gov
Phone:	(512) 424-7172

- D. Termination.** Either party may terminate this Contract with 30 days' written notice. DPS may also terminate this Contract for cause if Court doesn't comply with Section V.F., *Non-Waiver of Fees*. After termination, the Court has a continuing obligation to report dispositions and collect fees for all violators in the FTA system at the time of termination. Failure to comply with the continuing obligation to report will result in the removal of all

outstanding entries of the Court in the FTA Report, resulting in the lifting of any denied driver license renewal status from DPS.

VIII. CERTIFICATIONS

The Parties certify that (1) the Contract is authorized by the governing body of each party; (2) the purpose, terms, rights, and duties of the Parties are stated within the Contract; and (3) each party will make payments for the performance of governmental functions or services from current revenues available to the paying party.

The undersigned signatories have full authority to enter into this Contract on behalf of the respective Parties.

Court*

Department of Public Safety

Jim White

Reinda Bolene

Authorized Signature

Driver License Division Chief or Designee

Mayor

Title

2-4-2020

Date

3-18-2020

Date

*An additional page may be attached if more than one signature is required to execute this Contract on behalf of the Court. Each signature block must contain the person's title and date.

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 19, 2024

AGENDA ITEM CAPTION: Presentation, discussion and/or action of the City of Lockhart and the Lockhart Economic Development Corporation's Fiscal Year 2022-23 Annual Comprehensive Financial Report (annual financial audit) by BrooksWatson & Company, PLLC., an independent public accounting firm.

ORIGINATING DEPARTMENT AND CONTACT: Finance - Keeli Michna

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 third year for BrooksWatson & Company, PLLC to perform the City's annual audit. City staff is currently working with BrooksWatson & Company, PLLC to extend audit services through FYE 2025. This mutually desired agreement will be brought to City Council at a future meeting.

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 2023 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.

The City has been awarded a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for four consecutive years. The current Annual Comprehensive Financial Report for FYE 2023 will be submitted to the GFOA to determine eligibility for another certificate.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:

City of Lockhart, Texas

Council Agenda Item Cover Sheet

Funds Required:
Account Number:
Funds Available:
Account Name:

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends acceptance of the audited FY 2022-2023 Annual Comprehensive Financial Report.

LIST OF SUPPORTING DOCUMENTS:

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 19, 2024

AGENDA ITEM CAPTION: Discussion and/or action to enter a Cost Participation and Easement Agreement with Stich Interests, LLC for development of a new wastewater utility easement and authorizing City participation in a project to replace an aging wastewater line at 519 West San Antonio Street.

ORIGINATING DEPARTMENT AND CONTACT: Public Works - Sean Kelley

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: The property at 519 West San Antonio Street has a public 8" and 6" wastewater line that serves residents along West San Antonio Street and was constructed over 60 years ago. This line is constructed of clay tile material and the manholes are constructed out of bricks, which was common at the time. While the line has not failed, it is in deteriorating condition and is in need of replacing. This was confirmed by both the property owner's plumber and the city inspecting the line with cameras. The property owner of 519 West San Antonio Street expressed concern about the line's condition and formally requested the City's participation in the replacement of the wastewater line, since they have plans on developing the property and the existing condition of the pipeline may not withstand heavy equipment developing the site. Furthermore, at the time of the wastewater line's construction, the line was placed on the property, but no easement was granted.

If the Council authorizes participation in the 8" Wastewater Line Replacement project, approximately 195' of 8" wastewater main will be replaced, two new concrete manholes will be installed, the crossing of the dry creek will be replaced, approximately 50 ft of 6" wastewater main will be oversized to an 8" wastewater main, improving flow, and a 275' by 15' utility easement will be dedicated to the City. The newly granted easement will also resolve an issue with the current alignment of the wastewater line that traverses diagonally through the property and will create a future opportunity to realign the portions of the wastewater main that currently go through the service station property west of the subject property.

By entering this agreement, the City agrees to purchase the new easement at a cost of \$6,512.34, contribute up to half of the cost of construction of the new 8" wastewater main at a cost not to exceed \$12,615, and contribute the cost of oversized 50' of 6" wastewater main to an 8" main. The developer, Stich Interests, LLC, will be responsible for coordinating the installation of the new wastewater line and dedicating the 275' by 15' public utility easement. During the construction, the City will conduct inspections of the new utility to ensure the utility meets all City Construction Standards. Upon satisfaction of completion and conveyance of the easement, the City shall pay its share as stated in the agreement.

PROJECT SCHEDULE (if applicable):

City of Lockhart, Texas

Council Agenda Item Cover Sheet

AMOUNT & SOURCE OF FUNDING:

Funds Required: \$19,294.14

Account Number: 540-5760-911-00

Funds Available: \$19,294.14

Account Name: Construction/Project Imp.

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff respectfully recommends entering the Cost Participation and Easement Agreement with Stich Interests, LLC.

LIST OF SUPPORTING DOCUMENTS: Cost Participation Agreement, Exhibit A, Exhibit A1, Exhibit B, Exhibit C

STATE OF TEXAS §
 § **COST PARTICIPATION AND EASEMENT**
COUNTY OF CALDWELL § **AGREEMENT**

The **CITY OF LOCKHART** ("City"), a home rule municipal corporation situated in Caldwell County, Texas, and Stich Interests, LLC ("Developer"), make and enter into this Cost Participation and Easement Agreement ("Agreement"), dated and effective on the date of the last party to sign this Agreement ("Effective Date").

RECITALS

WHEREAS, Developer owns property, which is located at 519 West San Antonio Street in Lockhart, Caldwell County, Texas, consisting of approximately 1.175 acres of land, more or less, and more particularly described by metes and bounds in Exhibit "A", which Exhibit is attached hereto and incorporated herein by reference for all purposes allowed by law (the "Property"); and **WHEREAS**, the Developer has requested that an existing eight inch (8") sewer line on the Property be relocated and replaced with a new eight inch (8") inch sewer line (the "Replacement Sewer Line") at a new location along the Developer's western boundary line and has agreed to design and construct the new sewer line and associated sewer line improvements and convey a utility easement to the City upon relocation, replacement and acceptance of the Sewer Line by the City; and

WHEREAS, in addition to the replacement of the existing 8" sewer line, the Developer has agreed to upsize and replace approximately 50 feet of an existing 6" sewer line with an 8" sewer line (the "Oversized Line") and relocate same on property adjoining the Developer's Property at the northern property line (the "Offsite Property"); and

WHEREAS, City has agreed to participate in the cost of the Replacement Sewer Line and the Oversized Line (collectively referred to as the "Sewer Line Project") and which cost of participation shall include consideration for the value of the utility easement as set out in this Agreement;

WHEREAS, the City is authorized by subchapter C, §212.071 et. seq. (Developer Participation in Contract for Public Improvements) of the Texas Local Government Code to execute a contract with a developer of a subdivision of land in the municipality to construct public improvements without complying with the notice and competitive sealed bidding procedure of Chapter 252 of the Texas Local Government Code; and

WHEREAS, as provided in §212.071 of the Texas Local Government Code, the Developer and the City agree that the Developer shall construct the Sewer Line Project as required by and in accordance with City ordinances, and the City will participate in the costs as budgeted and set forth herein; and

WHEREAS, Developer has or will convey to the City the necessary easements and/or right-of-way for the installation, and future access and maintenance of the Sewer Line Project; and

WHEREAS, as further provided in § 212.072 of the Texas Local Government Code, the City may participate and pay 100 percent of the total cost for any oversizing of improvements required by the municipality, including but not limited to increased capacity of improvements to accommodate additional and future development in the area; and

WHEREAS, the City has determined that this Agreement and the Developer's construction of the Sewer Line Project can be accomplished in a cost efficient manner, will therefore result in an economic benefit to local taxpayers, and is in the best interests of the citizens of the City; and

WHEREAS, for the construction of the Sewer Line Project, City shall participate in its cost as further described herein, subject to Developer complying with all requirements under the law and terms in this Agreement and City will compensate the Developer for the value of the easement as set out herein.

NOW THEREFORE, in consideration of these premises, the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which both Parties acknowledge, the City and Developer agree as follows:

1. DEFINITIONS.

A. *City* means the City of Lockhart, a Texas home-rule city and municipal corporation situated in Caldwell County, and includes its representatives, agents, assigns, inspectors, contractors, employees and consultants.

B. *Developer* means Stich Interests, LLC_, the owner and its representatives, agents, contractors, employees, and consultants.

C. *Easement* means a 15 foot wide utility easement on the Property to be conveyed by the Developer to the City upon inspection and acceptance of the constructed Sewer Line Project as depicted in Exhibit "B", attached hereto.

D. *Easement (Offsite)* means a 10 foot easement on the Offsite property as depicted in Exhibit "A1", attached hereto which was already conveyed to the City by the Off-site landowner. In the event that the easement described in Exhibit "A1" does not abut the Developer's Property, then the Offsite Easement shall mean the easement described in Exhibit "A1" together with additional conveyance by the Offsite owner to the City of an area sufficient to connect the Sewer Line Project to the existing sewer line located within the Exhibit "A1" easement and as depicted in Exhibit "B".

E. *Effective Date* means the date on which the last party executes this Agreement.

F. *Notice* means any formal notice or communication required or permitted to be given by one Party to another by this Agreement.

G. *Sewer Line Project* means the eight inch (8") sewer line and associated facilities proposed to be constructed under the terms of this Agreement on the Property described in Exhibit "A" and the Offsite Property described in Exhibit "A1" in the location as shown on Exhibit "B". The construction of the Sewer Line Project also includes the conveyance of any necessary utility easement or right-of-way to the City for purposes of access and maintenance of the sewer line, storm water permitting, erosion control, easement preparation, excavation, trench safety, construction, including labor and materials, of the 8 inch line and associated facilities as described in Exhibit "B". Construction of the Sewer Line Project includes, backfill, compaction, re-establishment of ground cover, and any other improvements necessary to connect this line to the City's sewer system and all engineering, design and surveying for the construction of same, together with all related appurtenances thereto, upon and across the Property, that is the subject of this Agreement in accordance with all City, state and federal standards.

H. *Parties* means the City and Developer.

2. PARTIES' OBLIGATIONS

Developer shall design and construct the Sewer Line Project in accordance with all applicable governmental rules, ordinances and regulations and the terms of this Agreement. Developer further agrees that it shall be solely responsible for payment of any and all costs, including but not limited to design and construction costs, including labor and materials, arising from the construction of the Sewer Line Project, otherwise except as provided herein.

The Parties agree that the following cost estimates shall determine the cost to be paid by the City:

DEVELOPER'S SHARE = 100% of the total cost of design and construction of the Sewer Line Project, as described and shown on Exhibit "B", which is incorporated herein for all purposes, less the City Share.

CITY'S SHARE = 50% of the estimated cost for the Sewer Line Project and 100% of the difference between the construction cost of 50 feet of a 6 inch line and 50 feet of an 8 inch line as described in Exhibit "C", Cost Estimates. The City Share shall also include any cost associated with acquisition of the Off Site easement.

The City's share shall be paid to Developer in accordance with the terms of this Agreement in a lump sum amount not to exceed \$12,781.80 such sum being the construction costs associated with the Sewer Line Project (\$12,615.00) and (\$166.80) for the cost of oversizing 50 feet of sewer line from 6 inches to 8 inches.

The City shall not be responsible for any cost increase between the cost estimate and the actual cost to construct the Sewer Line Project. The Developer shall be solely responsible for any increase in cost for the construction of the Sewer Line Project.

In addition, the City shall pay to developer as consideration for the conveyance of the Utility Easement the sum of Six Thousand Five Hundred Twelve Dollars and 34 cents (\$6512.34). Such sum to be paid to Developer at the same time that the City Share is paid to Developer. Conveyance shall be free and clear of any liens of other impediments. If the Property is subject to a lien, the lien shall be subordinated or released prior to the conveyance.

The Developer shall comply with all applicable federal, state and local law including all City ordinances, codes and regulations in the design and construction of the Sewer Line Project. As the Sewer Line Project will ultimately be owned and maintained by the City, prior to beginning construction of the Sewer Line Project, the Developer shall submit plans and material specifications to the City for review and approval. Failure to obtain the City's final approval prior to construction or failure to comply with all applicable federal, state and local law including all City ordinances, codes and regulations shall constitute a material breach of this Agreement and permit the City to terminate this Agreement immediately, and the City shall not be responsible for any costs incurred by the Developer through the date of termination. In addition, Developer shall obtain all permits and inspections required by the City and shall be solely responsible for any costs associated with obtaining such permits and inspections. Upon execution of this Agreement, a schedule shall be submitted to the City Engineer as to when work will begin and be completed under this Agreement.

Developer agrees to furnish the City with a copy of each written agreement entered into with a contractor or consultant retained to design and complete the construction of the Sewer Line Project. All of the Developer's books, records, and related accounting information related to the construction of the Sewer Line Project shall be available for inspection by the City upon request, without cost to the City. Any work performed by a contractor or consultant of the Developer will not, under any circumstances, relieve Developer of its responsibilities and obligations under this Agreement. All work performed by the Developer, or contractors, agent or representatives shall be done in a good and workmanlike manner satisfactory to the City. Any contractor or consultant hired by Developer shall have sufficient skills and experience to properly perform the work described in the approved specifications and as shown on the approved construction plans and shall provide adequate supervision to assure competent performance of the work.

During construction of the Sewer Line Project, the City shall be granted entry onto the Property at reasonable times to inspect the progress and quality of the construction of the Sewer Line Project and test the line as necessary; and as deemed appropriate in accordance with the City's Code of Ordinances, and any applicable rules and regulations. Developer shall provide to the City a copy of all test results ordered by the Developer.

Upon satisfactory completion and no later than thirty (30) days after completion of the construction of the Sewer Line Project, and conveyance and acceptance by the City of any necessary public utility easement or right-of-way, the Developer shall submit a written invoice to the City requesting payment from the City for its lump sum share, and shall include a copy of all

release of liens forms from any subcontractor which worked on the construction of the Sewer Line Project or other written evidence of satisfactory payment by the Developer to all subcontractors, agents or vendors supplying material and/or equipment, as applicable for the construction of the Sewer Line Project. If there are no disputes as to the construction of the Sewer Line Project or costs invoiced, and all necessary conveyance of easements or right-of-way has been received and accepted by the City, the City shall pay its share as stated in this Agreement and the consideration for the utility easement within thirty days (30). Payment by the City is subject to the Developer completing the construction of the Sewer Line Project pursuant to this Agreement and conveyance of associated utility easements on forms acceptable to the City in order to access and maintain the Sewer Line Project.

3. TERM

No building permit shall be issued on the Property until the Developer has completed construction of the Sewer Line Project, the City has inspected the Sewer Line Project, the Developer has conveyed the utility easement and the City has accepted the Sewer Line Project and conveyance of a utility easement or right-of-way acceptable to the City to access and maintain the Sewer Line Project has been received. In any event the Developer shall complete construction of the Sewer Line Project and offer to convey to the City the utility easement or right-of-way, no later than the dates specified in the schedule approved by the City Engineer.

Unless terminated earlier as provided for herein, this Agreement shall automatically terminate after the construction of the Sewer Line Project is complete, the City has inspected the Sewer Line Project to assure that City specifications and applicable regulations have been satisfied, the Developer has conveyed and the City has accepted the utility easement or right-of-way acceptable to the City to access and maintain the Sewer Line Project, the City has accepted the Sewer Line Project for maintenance, and the City has paid the City's share and the consideration for the utility easement to the Developer.

If the City Engineer determines that the City's specifications or any requirements under the law have not been met and the Sewer Line Project cannot be accepted for maintenance by the City, then Developer shall be solely responsible for any necessary corrections and alterations and all costs associated with any necessary corrections and alterations. The City shall not be responsible nor participate in any costs incurred in such instance. If Developer does not complete the construction of the Sewer Line Project in accordance with the terms herein, the Developer shall still be responsible for the conveyance of the utility easement or right-of-way, and City may elect to terminate this Agreement, complete the construction and assess the Developer with any costs to complete the construction of the Sewer Line Project.

In addition, Developer agrees to give a warranty on its work on the Sewer Line Project in accordance with the requirements of the City's Code of Ordinances.

4. BOND AND INSURANCE REQUIRED

The Developer must execute concurrently with the execution of this Agreement, a performance bond for one hundred (100%) percent of the total estimated construction cost of the

Sewer Line Project to secure fulfillment of all of the Developer's obligations under this Agreement. The performance bond must be in a form to be approved by the City, and once executed a copy shall be provided to the City prior to commencement of construction of the Sewer Line Project. The bond must be executed by a corporate surety in accordance with Chapter 2253, Texas Government Code. The bond shall identify the City as the named Obligee, and the City shall be notified of termination of such bond if prior to the end of the term of this Agreement.

The Developer must acquire a general liability policy with minimum liability limits of \$1,000,000 per occurrence with aggregate coverage of \$2,000,000 and name the City as a an additional insured.

5. INCREASED COSTS

It may be anticipated that additional costs may arise from change in location, if requested by Developer and agreed to by City, site conditions or latent defects; however, Developer agrees that it will be solely responsible for payment of all increased costs in the construction of the Oversize Line in such instances.

6. NOTICE OF DEFAULT; OPPORTUNITY TO CURE; REMEDIES

Should any Party allege that the other has defaulted in the performance of any obligation hereunder, it will provide at least thirty (30) days written notice to the other Party specifying the nature of the alleged default and opportunity to cure the default before exercising any remedy related to the alleged default.

Upon the failure of either Party to comply with the provisions of this Agreement, which failure continues beyond the thirty (30) day notice and cure period provided above, the other Party shall have the right to enforce the terms and provisions of this Agreement by specific performance, or by such other legal or equitable relief to which the non-defaulting Party may be entitled.

Any remedy or relief described in this Agreement shall be cumulative of and in addition to any other remedies and relief available at law or in equity.

The foregoing notwithstanding, it is understood and agreed that in addition to any other remedy which the City may have upon default by Developer under this Agreement, should Developer fail to comply with the City's Ordinances or any other applicable development regulation, the City may terminate this Agreement and may withhold all payment for costs incurred by Developer.

No prior written notice shall be required to terminate this Agreement if there is an imminent threat to the public health, safety and welfare, and the City may take any and all actions as necessary to mitigate the immediate threat and assess the costs to the Developer.

7. MISCELLANEOUS

A. **Entire Agreement.** This Agreement including any attached exhibits is the entire agreement between the Parties and supersedes all prior or contemporaneous understandings or representations, whether oral or written, respecting the subject matter herein.

B. **Amendment.** No amendment of this Agreement will be effective unless it is in writing and signed by the duly authorized representatives of the Parties hereto, which amendment will incorporate this Agreement in every particular not otherwise changed by the amendment.

C. **Other Instruments, Actions.** The Parties hereto agree that they will take such further actions and execute and deliver such other and further consents, authorizations, instruments, or documents as are necessary or incidental to effectuate the purposes of this Agreement.

D. **No Third Party Rights Or Obligations.** No person or entity not a party to this Agreement shall have any third party beneficiary or any other rights against the parties to this Agreement.

E. **Applicable Law; Venue.** This Agreement shall be construed under and according to the laws of the State of Texas. Jurisdiction and venue for any suit arising hereunder shall be in Caldwell County, Texas.

F. **Severability.** The provisions of this Agreement are severable, and if any court shall ever hold any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application of it to any person or circumstance of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances will not be affected by that and this Agreement will be construed as if it had never contained such invalid or unconstitutional portion therein.

G. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original and all of which shall constitute the same instrument.

H. **Notices.** For the purposes of Notice, the addresses of the Parties will, until changed as provided below, be as follows:

CITY:

Lockhart, Texas
Attn.: City Manager
Phone:
Fax:

With Copy to: Brad Bullock
City Attorney
Messer Fort PLLC
4201 Parmer Lane Suite 250
Austin, Texas 78727
Phone: (512) 600-2308

DEVELOPER:

Stich Interests, LLC
121 Nueces Street
Lockhart, TX 78644
Phone: (512)398-5352
Fax: (512)398-5633

The Parties will have the right from time to time to change their respective addresses upon written notice to the other Party. If any date or notice period described in this Agreement ends on a Saturday, Sunday or legal holiday, the applicable period for calculating the Notice will be extended to the first business day following such Saturday, Sunday or legal holiday.

I. **No Waiver of Development Ordinances.** No waiver of any provision of this Agreement will be deemed to constitute a waiver of any other provision or any other agreement, if any, between the Parties. No waiver of any provision of this Agreement will be deemed to constitute a continuing waiver unless expressly provided for by written amendment to this Agreement; nor will the waiver of any default under this Agreement be deemed a waiver of any subsequent defaults of the same type. Nothing herein shall waive any obligations of Developer under applicable ordinances, including but not limited to the Code of Ordinances or the water and wastewater regulations.

J. **Attorney's Fees.** Should either Party be required to resort to litigation to enforce the terms of this Agreement, the prevailing Party, plaintiff or defendant, shall be entitled to recover its costs, including reasonable attorney's fees, court costs, and expert witness fees, from the other Party. If the court awards relief to both Parties, each will bear its own costs in their entirety except as otherwise specified by the court.

K. **Governmental Authority.** Nothing in this Agreement shall be construed to limit, restrict, modify, or abrogate the City's governmental authority or ordinances respecting the facilities and utility improvements contemplated by the terms of this Agreement except as specifically waived or modified herein or by specific action of the City Council, nor the City's duty to provide for the public health, safety, and welfare in the construction or maintenance of the same.

L. **Assignability.** This Agreement shall not be assignable by Developer without the prior written consent of the City.

M. **Binding Obligation.** This Agreement shall be binding upon and inure to the benefit of the Parties and their representatives, successors, and assigns.

N. **Indemnification.** This Agreement is not intended to alter or reallocate any defense or immunity presently authorized to either party by law. The City shall not be subject to any obligations or liabilities of the Developer incurred in the performance of this Agreement. Developer has voluntarily agreed to undertake the construction of the Sewer Line Project. The construction of the Sewer Line Project is not a condition of approval or acceptance of the development of the Property. DEVELOPER SHALL INDEMNIFY AND HOLD CITY, ITS EMPLOYEES, OFFICERS, CITY COUNCIL AND REPRESENTATIVES, HARMLESS FROM ANY AND ALL CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER'S SUCCESSORS, ASSIGNS, GRANTEEES, VENDORS, TRUSTEES OR REPRESENTATIVES, BROUGHT PURSUANT TO THIS AGREEMENT OR THE CLAIMS OR TYPES OF CLAIMS DESCRIBED IN THIS PARAGRAPH. CITY SHALL HAVE NO RESPONSIBILITY OR OBLIGATION FOR INDEMNIFICATION OR DEFENSE OF DEVELOPER IN THIS AGREEMENT.

O. **Ambiguities Not to Be Construed against Party Who Drafted Agreement.** The rule of construction that ambiguities in a document will be construed against the party who drafted it will not be applied in interpreting this Agreement.

P. **No Special Relationship.** The parties' do not intend to create the relationship of principal and agent, partnership, joint venture, or any other special relationship by executing this Agreement.

Q. **Authorized Signature.** The person executing this Agreement on behalf of the Developer warrants to the City that the Developer is a duly authorized to do so, is qualified to do business in the State of Texas, and that Developer has full right and authority to enter into this Agreement, and that every person signing on behalf of Developer is authorized to do so.

R. **Off-Site Easement.** Notwithstanding any other language to the contrary, commencement of construction of the Sewer Line Project shall not commence unless and until the City notifies the Developer that the City has secured a utility easement from the owner of the Off Site property; if such acquisition of additional easement area is necessary. This Agreement shall terminate if the City has not been able to secure an easement from the Off Site property owner sufficient to fill the gap; if any, between the Exhibit "A1" offsite easement and the Developers Property within 90 days from the Effective Date of this Agreement.

Executed on the dates set forth below, to be effective as the date of the last party to sign this Agreement ("Effective Date").

(Signatures appear on following pages.)

CITY OF LOCKHART, TEXAS

Date: _____, 20__

By: _____

Name: _____

Title: _____

ATTEST:

_____, City Secretary

(Name)

., DEVELOPER

Stich Interests LLC

By and through its General Partner

Ron Faulstich

a Partner

By:

Name: Ron Faulstich

Title: Partner

Date Signed: 3/15/24

STATE OF TEXAS §

COUNTY OF CALDWELL §

This instrument was acknowledged before me on the 15th day of MARCH, 2024, by RON FAULSTICH, in his capacity as PARTNER of STICH INTERESTS LLC, and that he executed the same on behalf of STICH INTERESTS LLC

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE 15th DAY OF MARCH, 2024.

Notary Public OF TEXAS County, CALDWELL

My commission expires 4/26/27 Julie Mladenka Bowermon
JULIE MLADENKA BOWERMON

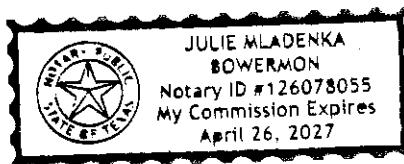


EXHIBIT "A"

PROPERTY

Land Description – _____ acres
Caldwell County, Texas

EXHIBIT "A1"

OFFSITE EASEMENT PROPERTY DESCRIPTION

Land Description – _____ acres
Caldwell County, Texas

EXHIBIT "B"

LOCATION AND SPECIFICATIONS OF SEWER LINE PROJECT

EXHIBIT “C”

COST ESTIMATES OF SEWER LINE PROJECT

2016-005375 WD Fee: 38.00
 10/20/2016 03:00:38 PM Total Pages: 5
 Carol Holcomb, County Clerk - Caldwell County, TX



GENERAL WARRANTY DEED

(with Vendor's Lien)

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.

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF CALDWELL

THAT JOE M. RECTOR, ALSO KNOWN AS JOE MARVIN RECTOR, owning property in the County of CALDWELL, Texas, hereinafter called "Grantor" (whether one or more), for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration to Grantor in hand paid by STICH INTERESTS LLC hereinafter called "Grantee" (whether one or more), whose mailing address is 121 NUECES STREET, LOCKHART, TEXAS 78644 the receipt and sufficiency of which are hereby acknowledged and confessed, and for the further consideration of the execution and delivery by said Grantee of one certain Promissory Note in the principal sum of ONE HUNDRED EIGHTY-NINE THOUSAND SIX HUNDRED AND 00/100 DOLLARS (\$189,600.00), bearing even date herewith, payable to the order of FIRST LOCKHART NATIONAL BANK, hereinafter called "Mortgagee", bearing interest at the rate therein provided; said Note containing an attorney's fee clause and various acceleration of maturity clauses in case of default, and being secured by Vendor's Lien and Superior Title retained herein in favor of said Grantor and assigned to Mortgagee, and also being secured by a Deed of Trust of even date herewith from Grantee to J. ROLAND VELVIN, Trustee; and

WHEREAS, Mortgagee has, at the special instance and request of Grantee, paid to Grantor a portion of the purchase price of the property hereinafter described, as evidenced by the above described Note, said Vendor's Lien and Superior Title against said property securing the payment of said Note is hereby assigned, transferred and delivered without recourse to Mortgagee, Grantor hereby conveying to said Mortgagee the said Superior Title to said property, subrogating said Mortgagee to all the rights and remedies of Grantor in the premises by virtue of said lien;

And Grantor has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY, unto said Grantee, the following described real property, to-wit:

BEING 1.175 ACRES OF LAND, MORE OR LESS, AND BEING A PART OF LOT 2 IN BLOCK 48 OF THE ORIGINAL TOWN OF LOCKHART, CALDWELL COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS IN EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES;

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereunto in anywise belonging, unto said Grantee, its successors and assigns, FOREVER. Grantor does hereby bind itself, its successors and assigns, TO WARRANT AND FOREVER DEFEND all and singular the said premises unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

This Deed is executed, delivered and accepted subject to all and singular any liens securing the payment of any debt created or assumed in connection herewith if such liens are described herein, standby fees, ad valorem taxes for the current and all subsequent years, subsequent assessments for prior years due to changes in land usage or ownership, zoning ordinances, utility district assessments and standby fees, if any, applicable to and enforceable against the above described property, and all valid utility easements created by the dedication deed or plat of the subdivision in which said real property is located, covenants, restrictions common to the platted subdivision in which said real property is located, mineral reservations, maintenance fund liens, and any title or rights asserted by anyone, including, but not limited to, persons, corporations, governments or other entities to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes,

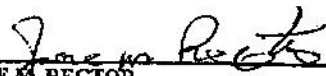
bays, gulfs or oceans, or to any land extending from the line of the harbor or bulkhead lines as established or changed by any government or to filled-in lands, or artificial islands, or to riparian rights or other statutory water rights, or the rights or interests of the State of Texas or the public generally in the area extending from the line of mean low tide to the line of vegetation or the right of access thereto, or right of easement along and across the same, if any, applicable to and enforceable against the above described property as shown by the records of the County Clerk of the County in which said real property is located.

BUT IT IS EXPRESSLY AGREED that the Grantor herein reserves and retains for himself, his heirs and assigns, a Vendor's Lien, as well as the Superior Title, against the above described property, premises and improvements, until the above described Note and all interest thereon have been fully paid according to the terms thereof, when this Deed shall become absolute.

WHEN this Deed is executed by more than one person, or when the Grantee is more than one person, the instrument shall read as though pertinent verbs, nouns and pronouns were changed correspondingly, and when executed by or to a corporation, the words, "heirs, executors and administrators" or "heirs and assigns" shall be construed to mean "successors and assigns". Reference to any gender shall include either gender and, in the case of a corporation, shall include the neuter gender, all as the case may be.

DATED this the 20th day of October, 2016.

SELLER:

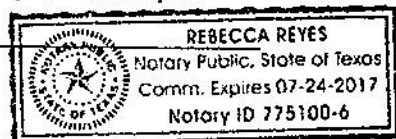

JOE M. RECTOR

THE STATE OF TEXAS

COUNTY OF CALDWELL

This instrument was acknowledged before me on the 20th day of October, 2016,
by JOE M. RECTOR, ALSO KNOWN AS JOE MARVIN RECTOR

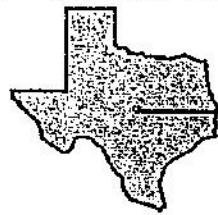
My commission expires:




NOTARY PUBLIC

Notary's Name (printed)

RETURN TO:
STICH INTERESTS LLC
121 NUECES STREET
LOCKHART, TEXAS 78644



HINKLE
SURVEYORS

Page 1 of 2
Job #20162551

EXHIBIT "A"

Page 1 of 2

All of a certain tract or parcel of land situated in the City of Lockhart, Caldwell County, Texas and being a part of Lot 2 in Block 48 of the Original Town of Lockhart according to the map or plat thereof recorded in Volume Q Page 507 of the Deed Records of Caldwell County, Texas and also being all of a tract of land called 0.175 acres and conveyed to Joe Marvin Rector et ux by deed recorded in Volume 88 Page 39 of the Official Records of Caldwell County, Texas and also being all of Two (2) tracts of land conveyed to Joe E. Rector by deeds recorded in Volume 283 Page 152 and Volume 346 Page 542 of the said Deed Records and being more particularly described as follows:

BEGINNING at a 1/2" Iron pin found used for basis of bearing in the SE corner of the above mentioned Volume 283 Page 152 and the North line of West San Antonio Street and the apparent SW corner of a tract of land designated as First Tract called 0.49 acres and conveyed to Westwood Limited by deed recorded in Volume 518 Page 622 of the said Deed Records for the SE corner this tract and from said 1/2" iron pin found a second 1/2" iron pin found used for basis of bearing marking the intersection of the West line of Nueces Street and the North line of West San Antonio Street bears N 80 degrees 00 minutes 00 seconds E 193.98 feet.

THENCE S 80 degrees 00 minutes 00 seconds W with the South lines of the said Volume 283 Page 152 and the above mentioned Volume 346 Page 542 and the North line of West San Antonio Street **183.47 feet** to a capped 1/2" iron pin set (stamped "HINKLE SURVEYORS") in the SW corner of the said Volume 346 Page 542 and the apparent SE corner of a tract of land called 0.4665 acres and conveyed to Anilbhai Chunilal Hospitality, LLC by deed recorded in Volume 517 Page 846 of the said Official Records for the SW corner this tract.

THENCE with the West line of the said Volume 346 Page 542 and the apparent East lines of the above mentioned 0.4665 acre tract and a tract of land called 0.172 acres and conveyed to Roger Williams by deed recorded in Volume 243 Page 866 of the said Official Records for the following Two (2) courses:

- 1) N 10 degrees 14 minutes 11 seconds W 201.37 feet** to a 1/2" iron pin found in the apparent NE corner of the said 0.4665 acre tract and the apparent SE corner of the above mentioned 0.172 acre tract for an angle point this tract.
- 2) N 10 degrees 09 minutes 38 seconds W 75.00 feet** to a 1/2" iron pin found in the NW corner of the said Volume 346 Page 542 and the apparent South line of a tract of land called 0.3378 acres and conveyed to Roger Williams by deed recorded in Volume 229 Page 575 of the said Official Records for the NW corner this tract.

THENCE N 79 degrees 50 minutes 22 seconds E with the North line of the said Volume 346 Page 542 and the apparent South line of the above mentioned 0.3378 acre tract **100.91 feet** to a capped 1/2" iron pin set (stamped "HINKLE SURVEYORS") in the NE corner of the said Volume 346 Page 542 and the apparent West line of a tract of land called 0.117 acres and conveyed to City of Lockhart by deed recorded in Volume 29 Page 382 of the said Official Records for an reentrant corner this tract.



HINKLE

SURVEYORS

Page 2 of 2
Job #20162551

EXHIBIT "A"
Page 2 of 2

THENCE S 10 degrees 44 minutes 39 seconds E with the East line of the said Volume 346 Page 542 and the apparent West line of the above mentioned 0.117 acre tract **23.03 feet** to a capped 1/2" iron pin set (stamped "HINKLE SURVEYORS") in the East line of the said Volume 346 Page 542 and the NW corner of the above mentioned 0.175 acre tract and the apparent South corner of the said 0.117 acres for an ell corner this tract.

THENCE N 40 degrees 25 minutes 21 seconds E with the North line of the said 0.175 acre tract and the apparent South line of the said 0.117 acre tract **102.70 feet** to a capped 1/2" iron pin set (stamped "HINKLE SURVEYORS") in the NE corner of the said 0.175 acre tract and the apparent West line of a tract of land called 0.434 acres and conveyed to David K. Mills by deed recorded in Volume 88 Page 42 of the said Official Records for the NE corner this tract.

THENCE S 10 degrees 44 minutes 39 seconds E with the East lines of the said 0.175 acre tract and Volume 283 Page 152 and the apparent West lines of the above mentioned 0.434 acre tract and a tract of land called 0.504 acres and conveyed to Ronald W. Faulstich by deed recorded in Volume 278 Page 686 of the said Official Records and the above mentioned 0.49 acre tract **319.08 feet** to the place of beginning containing **1.175 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 September 21, 2016. Only those prints containing the raised Surveyor's seal and an original "LIVE" signature should be considered official and relied upon by the user.



©Hinkle Surveyors 2016 Firm Registration No. 100866-00

P.O. BOX 1027 LOCKHART, TEXAS 78644 PHONE (512) 398-2000
FAX (512) 398-7683 EMAIL: CONTACT@HINKLESURVEYORS.COM

FILED AND RECORDED

Instrument Number: 2016-005375 WARRANTY DEED

Filing and Recording Date: 10/20/2016 03:00:38 PM Pages: 5 Recording Fee: \$38.00

I hereby certify that this instrument was FILED on the date and time stamped hereon and RECORDED in the OFFICIAL PUBLIC RECORDS of Caldwell County, Texas.



Carol Holcomb

Carol Holcomb, County Clerk
Caldwell County, Texas

ANY PROVISION CONTAINED IN ANY DOCUMENT WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE REAL PROPERTY DESCRIBED THEREIN BECAUSE OF RACE OR COLOR IS INVALID UNDER FEDERAL LAW AND IS UNENFORCEABLE.

DO NOT REMOVE. THIS PAGE IS PART OF THE OFFICIAL PUBLIC RECORD.

UNDERGROUND SEWER LINE EASEMENT

1660

THE STATE OF TEXAS §
 §
 COUNTY OF CALDWELL §

KNOW ALL MEN BY THESE PRESENTS:

That we, MARY TANNOS, a widow, of the County of Caldwell, State of Texas, and JOE TANNOS, a married man owning, occupying and claiming other property located in League City, Galveston County, Texas, as my homestead, of the County of Galveston, State of Texas, for and in consideration of the sum of ONE DOLLAR (\$1.00) cash to us in hand paid by the Grantee herein, the receipt of which is hereby acknowledged, and for the further consideration of the Grantee furnishing and installing one (1) water tap and one (1) sewer tap for Grantors' use, the locations of which to be mutually agreed upon by Grantors and Grantee, have GRANTED, SOLD AND CONVEYED and by these presents do GRANT, SELL AND CONVEY unto CITY OF LOCKHART, TEXAS, P.O. Box 239, Lockhart, Texas, 78644, a municipal corporation, a right of way and easement upon and across the following described property of the Grantors, to-wit:

BEING a strip of land ten feet (10') in width, located along the entire Southern property line of the following described tract of land, to-wit:

All that certain tract, lot or parcel of land situated in Caldwell County, Texas, part of the Byrd Lockhart League and being part of Lot No. 2 in Block No. 48 in the City of Lockhart and

BEGINNING at a stake set on the East line of Elm Street, the Northwest corner of a tract conveyed by Amos G. Rogan, et al, to Hazel Jolley, by deed dated November 12, 1954, recorded in Volume 256, Page 489, of the Caldwell County Deed Records;

THENCE North 10 West along the East line of Elm Street 75 feet to the Southwest corner of a tract conveyed by B. E. Rogan to Bob Moussi by deed dated December 7, 1923, recorded in Volume 89, Page 373, of the Deed Records of Caldwell County, Texas;

THENCE North 80 East with the South line of said Moussi tract 199 feet to the Northwest corner of a tract conveyed by E. C. Rogan, et al, to Sallie B. Lay by deed dated June 15, 1940, recorded in Volume 197, Page 29, of the Caldwell County Deed Records;

THENCE South 10 East 75 feet to stake for the Southeast corner of this tract;

THENCE South 80 West 199 feet, (the last 100 thereof being along the North line of the Hazel Jolley tract) to the PLACE OF BEGINNING. Being the same land as described in a deed from Amos G. Rogan, et al, to Mary Tannos, a feme sole, and Joe Tannos, dated October 28, 1959, recorded in Volume 282, Page 13, Deed Records of Caldwell County, Texas.

The right of way, easement, rights and privileges herein granted shall be used only for the purpose of placing, constructing, operating, repairing, maintaining, rebuilding, replacing, relocating and removing an underground sewer line.

The right of way, easement, rights and privileges herein granted shall be for so long as Grantee, its successors and assigns, shall operate an underground sewer line within said easement. Grantors hereby bind themselves, their heirs and assigns, to warrant and forever defend the above described easement and rights unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

It is understood and agreed by and between Grantors and Grantee that the exact location of the easement herein granted shall be as follows:

The South line of the ten foot (10') wide easement shall be the South property line of the above described tract and the North line of said easement shall be ten feet (10') North of and parallel to said South property line.

It is further understood and agreed between Grantors and Grantee that this Underground Sewer Line Easement is subject to the condition that Grantee shall at all times after doing any work in connection with the construction, reconstruction or repair of said underground sewer line or any appurtenances thereto, restore said premises to the condition in which same were found before such work was undertaken, and that in the use of said rights and privileges herein granted, Grantee shall not create a nuisance or do any act that will be detrimental to said premises.

EXECUTED this the 23rd day of May, A.D., 1989.

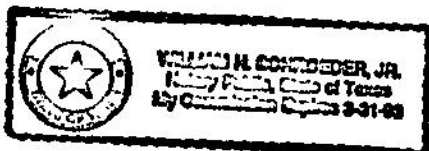
Mary Tannos
Mary Tannos

Joe Tannos
Joe Tannos

THE STATE OF TEXAS §
COUNTY OF CALDWELL §

Before me, the undersigned authority, on this day personally appeared MARY TANNOS, a widow, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

~~JUNE~~ GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 8th day of JUNE, A. D., 1989.



William H. Schneider, Jr.
Notary Public in and for
the State of Texas.

Comm. expires: _____

THE STATE OF TEXAS §
COUNTY OF GALVESTON §

Before me, the undersigned authority, on this day personally appeared JOE TANNOS, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 23rd day of MAY, A. D., 1989.

Susan Sensat
Notary Public in and for
the State of Texas.

Comm. expires: 11-08-90

Any provision herein which restricts the sale rental or use of the described real property because of color or race is invalid and unenforceable under Federal Law
STATE OF TEXAS
COUNTY OF CALDWELL
I hereby certify that this instrument was FILED in the Public Records on the date and the time stamped herein by me and was duly RECORDED in the Official Public records of Real Property at Caldwell County, Texas on

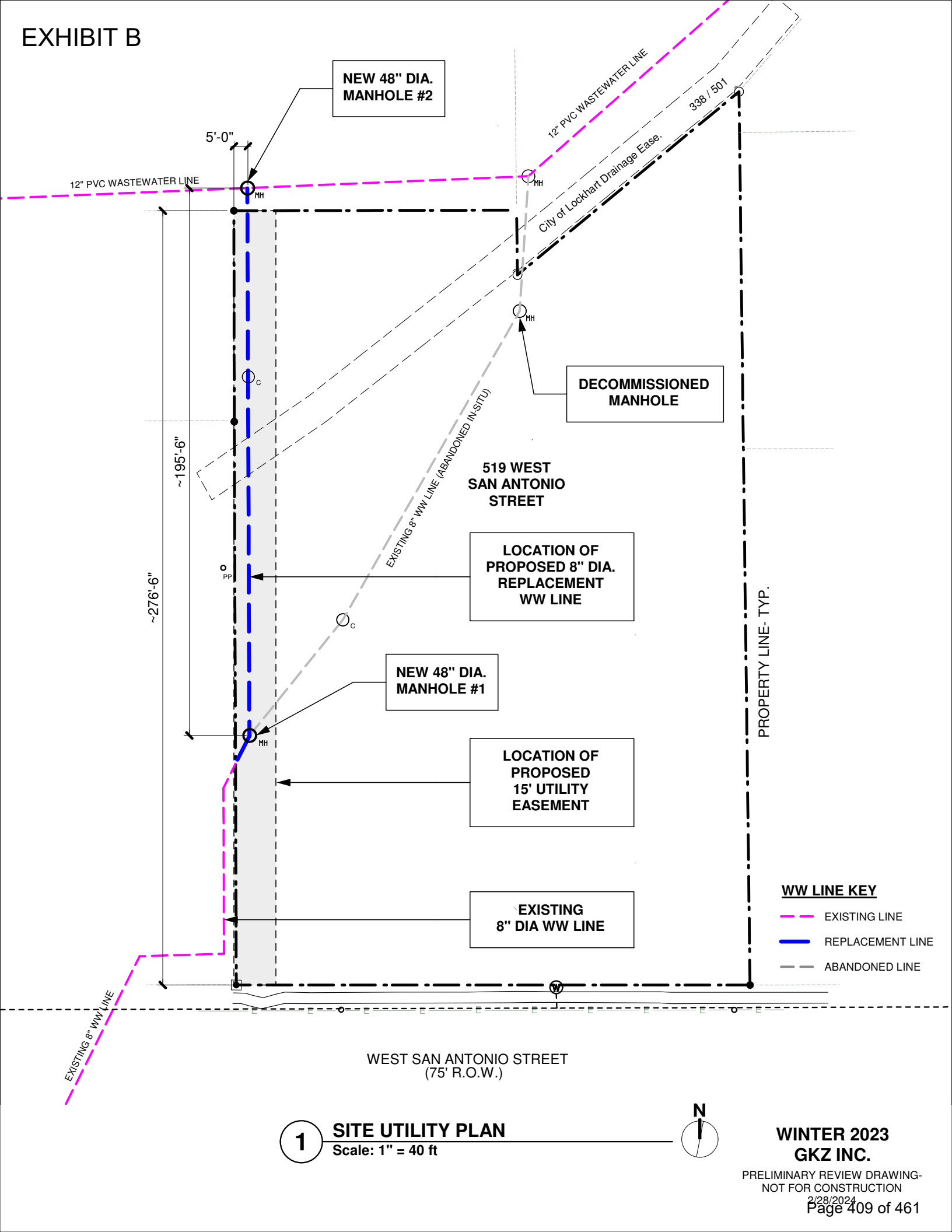
FILED this 9th day of JUNE 1989
8:55 a.m.
NINA S. SELLS
CLERK, COUNTY COURT, CALDWELL CO., TEX
By Julma Kake Deputy



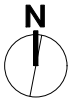
JUN 12 1989

Nina S. Sells
COUNTY CLERK
CALDWELL COUNTY, TEXAS

EXHIBIT B



1 SITE UTILITY PLAN
Scale: 1" = 40 ft



WINTER 2023
GKZ INC.

PRELIMINARY REVIEW DRAWING-
NOT FOR CONSTRUCTION



Dec 7, 2023

To: City of Lockhart

Re: Sewer Line Proposal for 519 San Antonio St, Lockhart

No Plans available at time of proposal

Option 1

\$25,230.00 New Sanitary Sewer Line down property line/proposed easement

- A. 190 LF of 8" SDR 26 HW PVC Sewer Line, bedded in 57 gravel
- B. 1 6" Cleanout
- C. 2 48" Precast Sewer/Wastewater Manhole
- D. Tie into existing onsite sewer line
- E. Haul off excavated spoils

Option 2

\$20,824.00 Replace existing 250 LF of 8" Sanitary Sewer Line

- A. 250 LF of 8" SDR 26 HW PVC Sewer Line tied into existing Manholes, bedded in 57 gravel
- B. 1 6" cleanout
- C. Haul off old pipe & excavated spoils.

Credit \$834.00 if 6" SDR 26 HW installed in-lieu of 8" SDR 26 PVC HW pipe.

Exclusions

- A. Manhole Coating
- B. Re Vegetation/Hydro Seeding

Thanks

Chris Martin

Nighthawk Construction

512-213-5391

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 19, 2024

AGENDA ITEM CAPTION: Discussion and/or action to consider an agreement with Techline Construction, LLC for Project 5B as part of the City of Lockhart's five-year System Study and Capital Plan as prepared by the Lower Colorado River Authority (LCRA).

ORIGINATING DEPARTMENT AND CONTACT: Electric - Bobby Leos

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: Techline Construction is the Lower Colorado River Authority's (LCRA) preferred contractor for projects because they are experienced with high voltage line repairs. Techline has conducted the majority of LCRA projects for the City of Lockhart since 1995.

Project #5B is a "System Rehabilitation" project and part of the LCRA's five-year system study that will replace single strand copper conductor. These conductors have been shown to become brittle and break with age, causing outages. Project #5B will rebuild approximately 3,200 ft of power line on circuit LK30, along Pecos from Ash and connecting to circuit LK20 at China. Project 5A was approved at the January 2, 2024 Council meeting and near completion. Project 5C is anticipated to be completed in 2024. The project will begin in the second quarter of 2024 with an estimated completion date of the third quarter of 2024. Labor for Project #5B is an estimated total of \$215,200.00, and not to exceed \$221,000.00.

PROJECT SCHEDULE (if applicable): N/A

AMOUNT & SOURCE OF FUNDING:

Funds Required: 221,000.00

Account Number: 500-5745-911

Funds Available: 221,000.00

Account Name: Construction/Project Improvement

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Electric Superintendent recommends approval.

City of Lockhart, Texas

Council Agenda Item

Cover Sheet

LIST OF SUPPORTING DOCUMENTS: Proj. 5B ELEC. DIST. CONST. AGREEMENT,
project 5B Labor Travel Equipment

ELECTRICAL DISTRIBUTION CONSTRUCTION AGREEMENT

This **ELECTRICAL DISTRIBUTION CONSTRUCTION AGREEMENT** (“**Agreement**”) is entered into by and between the City of Lockhart, Texas (“**Owner**”) and Techline Construction, LLC (“**Contractor**”) and is effective as of the date of the signature of the last party to sign below (the “**Effective Date**”).

1. Contract Documents. This Agreement includes the following Contract Documents which shall be construed in the order of precedence in which they are listed:

1. This Agreement;
2. Exhibit A – LCRA Construction Drawings (complete title), LK30 Pecos St upgrade;
3. Exhibit B – Contract No. 5045 Distribution Construction Services between the Lower Colorado River Authority and Techline Construction, LLC, dated October 1, 2018; and
4. Exhibit C – Proposal by Techline Construction, LLC to the City of Lockhart dated _____, 2024, containing the estimate for the total cost of labor and equipment to complete the LK30 Pecos St upgrade;

Exhibits A, B, and C which are attached hereto and incorporated herein, are made a part of this Agreement for all purposes. Contractor agrees to provide Owner with the services included in Exhibits pursuant to the terms and conditions of this Agreement, including all exhibits thereto.

2. Scope. Contractor shall furnish all labor, construction equipment, transportation, subcontracting, and other required services, other than engineering services, to complete the work described in the Contract Documents, specifications, and Construction Drawings (the “**Work**”). Contractor agrees to perform the Work under the same terms and conditions and pricing contained in the Contract Documents. Contractor agrees, no hot work shall be performed without foreman on site. All orders and payments for the Work will be issued directly from Owner to Contractor, and Contractor will provide the services and associated invoices directly to Owner. Contractor shall not provide any additional items or services or bill for expenses incurred for Owner not specified by this Agreement unless Owner requests and approves in writing the additional costs for such services. Owner shall not be liable for any additional expenses of Contractor not specified by this Agreement unless Owner first approves such expenses in writing.

3. Compensation. Owner agrees to pay the Contractor in accordance with the prices listed in the proposal attached to the Contract Documents, estimated to be \$215,200.00 and not to exceed \$221,000.00, and in any change orders executed by the parties.

4. Term. The term of this Agreement shall be for one year beginning on the Effective Date and ending one calendar year thereafter. Owner shall be able to renew this agreement for two one-year renewal options by written agreement of the parties.

5. Independent Contractor. This Agreement shall not be construed to create a partnership, joint venture, nor other agency relationship between the parties, who are independent of one

another. The relationship of the Contractor to Owner is and shall continue to be that of an independent contractor, and no liability or benefits such as workers' compensation, pension rights or liabilities, insurance rights or liabilities, arising out of or related to an employer/employee relationship, shall arise, or accrue to either party or either party's agent, subcontractor or employee, as a result of this Agreement or its performance. No relationship, other than that of independent contractor, shall be implied between the parties or between either party and the other party's agent, employee, or subcontractor, and the Contractor hereby agrees to hold Owner harmless from any such claims by it or its associates, and any cost or expense related thereto.

6. LCRA. LCRA is not a party to, and will in no way be responsible to either Owner or Contractor for, such orders, including without limitation any payments, performance, costs, expenses, losses or damages arising from such transactions between Contractor and Owner. Owner and Contractor releases LCRA from any liability associated with Owner's transactions under the Agreement.

7. Notices. Notices required pursuant to the provisions of this Agreement shall be conclusively determined to have been delivered when (1) hand-delivered to the other party, its agents, employees, servants or representatives, (2) delivered by facsimile with electronic confirmation of the transmission, or (3) received by the other party by United States Mail, registered, return receipt requested, addressed as follows:

City of Lockhart
Attn: City Manager
308 W. San Antonio St.
Lockhart, TX 78644

Techline
Attn: President
9609 Beck Circle
Austin, TX 78758

8. Default. In the event of a failure by Contractor to satisfactorily perform the services specified herein and/or a default by Contractor in abiding by the other terms and conditions of this Agreement, Owner may terminate the Agreement on written notice to Contractor and Contractor shall be liable for all damages, costs, and expenses (including attorney fees) incurred by Owner related to this default.

9. Alternative Dispute Resolution. The dispute resolution process provided for in Chapter 154 of the Texas Civil Practice and Remedies Code may be used, by Owner and Contractor to attempt to resolve any claim for breach of contract made by Contractor, to the extent it is applicable to the Agreement and not preempted by other law. Except as otherwise provided by law, nothing herein is a waiver by Owner of the right to seek redress in a court of law.

10. Assignment. The parties recognize that this contract is based upon the skill and expertise of the parties and therefore agree that the contract and the obligations thereunder may not be assigned

or delegated without the written consent of the other party, except as expressly allowed by this contract.

11. Compliance with Law. Contractor shall certify that he/she or it is in compliance with all applicable state and federal laws, including non-discrimination laws as it relates to the terms and conditions of the agreement.

12. Non-Appropriations. To the extent this contract constitutes public debt in connection with Article 11, Sec. 5 of the Texas Constitution, Contractor understands that Owner is a governmental entity, and should the Owner fail to provide funding for any period during the term of this contract, Owner shall be excused for all liability for payment. Owner is required to give Contractor written notice within thirty (30) days after learning that the funds will not be available. Upon receiving written notice from Owner, this contract will automatically terminate.

13. Governing Law/Venue/Statute of Limitations. The validity of this Agreement and the interpretation of its terms and the applicable statute of limitations for any cause of action brought by or against Owner pursuant to the Agreement shall be governed by the laws of the State of Texas. Jurisdiction for any legal proceedings incident to this agreement shall lie in Caldwell County, Texas or a United States District Court within the county.

14. Force Majeure. In the event of Force Majeure, Owner may terminate this agreement by written notice following such casualty and Owner shall not be responsible for any damages sustained by Contractor. Force Majeure shall mean fire, earthquake, flood, tornado, act of God, strikes or other labor disturbances, riots or civil commotion, litigation, terrorism, war or other acts of any foreign nation, power of government or government agency or authority, or any other cause like or unlike any cause above-mentioned which is beyond the control or authority of Owner.

15. Confidentiality. Subject to the Texas Public Information Act and any similar legal requirements, neither Party shall disclose any confidential information obtained from the other Party without such Party's prior written approval.

16. INDEMNIFICATION. CONTRACTOR SHALL INDEMNIFY, HOLD HARMLESS, AND DEFEND THE OWNER, ITS OFFICERS, AGENTS AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS, DEMANDS, PROCEEDINGS, COSTS, AND LIABILITIES OF EVERY KIND, INCLUDING WITHOUT LIMITATION ALL EXPENSES OF LITIGATION, COURT COSTS, AND ATTORNEYS' FEES, FOR INJURY TO OR DEATH OF ANY PERSON OR FOR DAMAGE TO ANY PROPERTY ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM ANY ACTS OR OMISSIONS OF CONTRACTOR OR ANY AGENT, EMPLOYEE, SUBCONTRACTOR, OR SUPPLIER OF CONTRACTOR IN THE EXECUTION OR PERFORMANCE OF THIS CONTRACT. SUCH INDEMNITY SHALL APPLY REGARDLESS OF WHETHER THE CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS OR LIABILITY ARISE IN WHOLE OR IN PART FROM THE NEGLIGENCE OF THE OWNER, ANY OTHER PARTY INDEMNIFIED HEREUNDER, THE CONTRACTOR, OR ANY THIRD PARTY.

17. Insurance. For the entire term of the Agreement (“Term”), Contractor shall maintain at his/her sole cost, at all times while performing work hereunder, the insurance and bond coverage set forth below with companies satisfactory to the Owner with full policy limits applying, but not less than stated. A certificate of insurance evidencing the required insurance and specifically citing the indemnification provision set forth in the Agreement shall be delivered to the Owner prior to the start of work.

- (1) Worker’s Compensation Insurance as required by laws and regulations applicable to and covering employees of Contract engaged in the performance of the work under this agreement with a limit of not less than \$1,000,000.00;
- (2) Employers Liability Insurance protecting contractor against common law liability, in the absence of statutory liability, for employee bodily injury arising out of the master-servant relationship with a limit of not less than \$1,000,000.00.
- (3) Comprehensive General Liability Insurance including products/completed operation with limits of liability of not less than: Bodily Injury \$1,000,000.00 per each person, \$1,000,000.00 per each occurrence/\$2,000,000.00 aggregate; Property Damage \$1,000,000.00 per each occurrence;
- (4) Excess Liability Insurance Comprehensive General Liability, Comprehensive Automobile Liability and coverages afforded by the policies above, with the minimum limits of \$2,000,000.00 excess of specified limits;

All policies must contain a waiver of subrogation against Owner. Comprehensive General Liability and Commercial Automobile Liability policies must name Owner as Additional Insured. Contractor shall pay all insurance deductibles and deductibles must not exceed \$10,000 unless approved in advance by Owner. Contractor shall provide Owner Certificates of Insurance evidencing these insurance requirements prior to the start of work.

18. Audit; Independent Audits; Right to Audit; Retention; Supporting Documents. The Contractor agrees and authorizes Owner and/or the Owner’s Auditor (collectively, “Auditor”) to conduct audits or investigations in connection with this Agreement. Contractor agrees to cooperate with Auditors conducting such audits or Investigations and to provide all information and documents reasonably requested.

19. Limitations. The Parties are aware that there are constitutional and statutory limitations on the authority of Owner to enter into certain terms and conditions of the Agreement, including, but not limited to, those terms and conditions relating to liens on Owner’s property; disclaimers and limitations of warranties; disclaimers and limitations of liability for damages; waivers, disclaimers and limitations of legal rights, remedies, requirements and processes; limitations of periods to bring legal action; granting control of litigation or settlement to another party; liability for acts or omissions of third parties; payment of attorneys’ fees; dispute resolution; indemnities; and confidentiality (collectively, the “Limitations”), and terms and conditions related to the Limitations will not be binding on Owner except to the extent authorized by the laws and Constitution of the State of Texas.

20. Sovereign Immunity. Except as otherwise provided by Texas law, neither the execution of the Agreement by Owner nor any other conduct, action or inaction of any Owner representative relating to the Agreement is a waiver of sovereign immunity by Owner.

21. Representations by Contractor. Contractor represents and warrants that it will obtain and maintain in effect, and pay the cost of all licenses, permits or certifications that may be necessary for Contractor's performance of this Agreement other than approval to cross state or interstate highways and railroads, which shall be the responsibility of Owner. If Contractor is a business entity, Contractor warrants, represents, covenants, and agrees that it is duly organized, validly existing and in good standing under the laws of the state of its incorporation; and is duly authorized and in good standing to conduct business in the State of Texas, that it has all necessary power and has received all necessary approvals to execute and deliver the Agreement and is authorized to execute this Agreement according to its terms on behalf of Contractor.

22. Eligibility to Receive Payment. Contractor certifies that, as a matter of State law, it is not ineligible to receive the Agreement and payments pursuant to the Agreement and acknowledges that the Agreement may be terminated, and payment withheld if this representation is inaccurate.

23. Risk of Loss. All work performed by Contractor pursuant to the Agreement will be at Contractor's exclusive risk until final and complete acceptance of the work by Owner. In the case of any loss or damage to the work prior to Owner's acceptance, such loss or damage will be Contractor's responsibility.

24. Legal Construction/Severability. In the event that any one or more of the provisions contained in this contract shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision, and this contract shall be construed as if such invalid, illegal or unenforceable provisions had never been contained in it. To this end, the provisions of this contract are declared to be severable. The Parties may mutually agree to renegotiate the contract to cure such illegality/invalidity or unconstitutionality if such may be reasonably accomplished.

25. Non-Waiver. No covenant or condition of this Agreement may be waived except by written consent of the waiving party. Forbearance or indulgence by one party in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by the other party.

26. Entire Agreement. The Contract Documents constitutes the entire agreement and supersedes all prior or contemporaneous agreements, whether written or oral, between the parties. Verbal representations not contained herein shall not be binding on the parties unless acknowledged by them in writing.

27. Authority. The person signing below on behalf of Owner and Contractor warrants that he/she has the authority to execute this contract according to its terms.

28. Amendment. This Agreement may be changed, amended, modified, extended or assigned only by mutual consent of the parties provided that consent shall be in writing and executed by the parties hereto prior to the time such change shall take effect.

29. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, City and Contractor, by and through their duly authorized officers and Representatives, have executed this Agreement as of the date first above written.

CITY OF LOCKHART

TECHLINE CONSTRUCTION, LLC

Lew White, Mayor

Date:_____

Don Lawyer, President

Date:_____

Attest:

Julie Bowermon, City Secretary

Date:_____



9609 BECK CIRCLE
AUSTIN, TEXAS 78758
DON LAWYER (903) 603-6260

February 27, 2024

City of Lockhart
Attn: Bobby

RE: Project 5B

Dear Bobby,

Thank you for giving Techline Construction, LLC the opportunity to quote on Project 5B. The estimated total for this project is \$215,200.00 not to exceed \$221,000.00. This total includes travel, equipment, and labor.

Thank you,

Vance Thurmon
Techline Construction, LLC

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 19, 2024

AGENDA ITEM CAPTION: Discussion and/or possible action on Resolution 2024-09, declaring intent to seek certification from the International Dark Sky Association and to regulate outdoor lighting in accordance with the requirements of Section 3000.002 of the Texas Local Government Code.

ORIGINATING DEPARTMENT AND CONTACT: Development Services - David Fowler

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: In 2021 the Texas Legislature passed an amendment to Section 3000.002 of the Local Government Code prohibiting cities from passing lighting ordinances restricting the use of any lighting fixture that is permitted in the International Building Code unless a city applies to the International Dark Sky Association for review and approval of the lighting ordinance. This resolution will direct staff to apply for dark sky certification of the City's lighting ordinance passed in February 2024, thus satisfying the requirement. The certification process as outlined by the Dark Sky Association should take 1-3 years to complete. Depending upon the outcome of the Dark Sky review, some revisions to the recently-passed ordinance may have to be made for the City to obtain certification. However, due to the resolution directing City staff to work to obtain certification, the ordinance will remain valid in the interim while the ordinance is under Dark Sky review.

PROJECT SCHEDULE (if applicable): None

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

FISCAL NOTE (if applicable): The effort to attain certification will require a \$250 application fee and the use of occasional paid staff time over a period of up to three years.

PREVIOUS COUNCIL ACTION: On February 19, 2024, City Council approved Ordinance 2024-05, amending several chapters of the Code of Ordinances to strengthen the City's lighting regulations.

COMMITTEE/BOARD/COMMISSION ACTION: None

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approval of Resolution 2024-09, declaring the intent for the City to seek certification from the International

City of Lockhart, Texas

Council Agenda Item Cover Sheet

Dark Sky Association for the

LIST OF SUPPORTING DOCUMENTS: Resolution of Intent Dark Sky Certification 2024, IDA-IDSP-Application-Process, 87(R) SB 1090 - Enrolled version - Bill Text

RESOLUTION NO. 2024-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOCKHART DECLARING ITS INTENT TO SEEK CERTIFICATION FROM THE INTERNATIONAL DARK SKY ASSOCIATION (THE “ASSOCIATION”) AND TO REGULATE OUTDOOR LIGHTING IN ACCORDANCE WITH THE REQUIREMENTS OF THE ASSOCIATION AS REQUIRED BY SECTION 3000.002 OF THE TEXAS GOVERNMENT CODE AND DIRECTING CITY STAFF TO SEEK CERTIFICATION FROM SAME AND AUTHORIZING STAFF TO COMMENCE ENFORCEMENT OF THE CITY’S LIGHTING REGULATIONS INsofar AS SUCH ENFORCEMENT IS CONSISTENT WITH SECTION 3000.002 OF THE TEXAS GOVERNMENT CODE AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Section 3000.002 of the Texas Government Code prohibits cities from regulating building materials, architectural processes, and outdoor lighting in a manner that is more stringent than national building codes with only a few exceptions; and

WHEREAS, Section 3000.002 provides an exception that allows cities to regulate outdoor lighting that is adopted for the purpose of reducing light pollution if the city becomes dark sky certified by the International Dark Sky Association (the “Association”); and

WHEREAS, the City of Lockhart adopted Ordinance No. 2024-05 which is intended to reduce the effects of light trespass and pollution within the community and the City intends to become Dark Sky certified by the International Dark Sky Association in accordance with the requirements set out in Section 3000.002 of the Texas Government Code; and

WHEREAS, the City finds that the terms, conditions and regulation set forth in Ordinance No. 2024-05 are no more stringent than is required by the Association for purposes of achieving certification;

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

1. The City Council hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the City hereby incorporates such recitals as a part of this Resolution.

2. The City hereby declares its intent to be certified by the International Dark Sky Association and directs staff to submit such application, pay such fees and provide such information as the Association may require in order to obtain dark sky certification from the

Association for the City;

3. The City hereby directs staff to begin enforcement of the City's Lighting Ordinance No. 2024-05 as authorized by Section 3000.002 of the Texas Government Code pending approval of dark sky certification.

4. This Resolution shall become effective immediately upon passage.

Passed, read and approved the 19th day of March, 2024.

CITY OF LOCKHART, TEXAS

, Mayor

ATTEST:

City Secretary



INTERNATIONAL DARK-SKY ASSOCIATION

INTERNATIONAL DARK SKY PLACE (IDSP) APPLICATION PROCESS

PHASE I: INITIAL INQUIRY

Applicant reviews eligibility with IDA staff; notifies IDA of intent to pursue IDSP application

Average Timeline: 45 days*

STEP 1: The applicant reviews certification process; indicates interest in the program

>Anytime; via darksky.org

STEP 2: The applicant receives an assessment of site eligibility and IDSP category recommendation from IDA staff

>Within 30 days of initial inquiry submission; Via communication with IDSP staff

STEP 3: After eligibility is determined by IDA staff, the applicant notifies IDA of intent to pursue formal Dark Sky Place certification

>Timeline varies based on eligibility and guideline requirements; Applicant confirms intent with IDSP staff via written communication

PHASE II: FORMAL APPLICATION

With support from IDA staff, applicant actively works to meet the application requirements.

Average Timeline: 1-3 years

STEP 1: The applicant works closely with IDSP Manager to develop application in accordance with appropriate guidelines

>Anytime, ongoing; Via email with IDSP staff/manager

STEP 2: With IDSP Manager approval, the applicant submits an application for Dark Sky Places Committee (DSPC) review

>On or before submission deadline for review at the following committee meeting; Via submission to IDSP Program Manager

PHASE III: CERTIFICATION

Applicant waits while review is in process

Average Timeline: 90-150 days

STEP 1: Application is reviewed by DSPC. One of the following outcomes occur:

- >Application is approved by DSPC - application is submitted for approval by IDA Board of Directors
- >Application is approved by DSPC with conditions - application is revised, applicant may resubmit anytime for re-review by DSPC
- >Application is rejected - updated application may be eligible for submission at future deadline

STEP 2: DSPC submits recommendations to IDA Board for final approval

- >Board approves or returns the application 10 business days after DSPC approval

STEP 3: New IDSP is certified upon Board Approval

- >Announcement is coordinated with IDA staff at the applicant's discretion

AN ACT

relating to certain regulations adopted by governmental entities regarding land use restrictions and building products, materials, or methods used in the construction or renovation of residential or commercial buildings.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 3000.002(c), Government Code, is amended to read as follows:

(c) This section does not apply to:

(1) a program established by a state agency that requires particular standards, incentives, or financing arrangements in order to comply with requirements of a state or federal funding source or housing program;

(2) a requirement for a building necessary to consider the building eligible for windstorm and hail insurance coverage under Chapter 2210, Insurance Code;

(3) an ordinance or other regulation that regulates outdoor lighting that is adopted for the purpose of reducing light pollution and that:

(A) is adopted by a governmental entity that is certified as a Dark Sky Community by the International Dark-Sky Association as part of the International Dark Sky Places Program; ~~or~~

(B) is adopted by a governmental entity that has adopted a resolution stating the entity's intent to become certified as a Dark Sky Community by the International Dark-Sky Association as part of the International Dark Sky Places Program and does not regulate outdoor lighting in a manner that is more restrictive than the prohibitions or limitations required to become certified as a Dark Sky Community; or

~~(C)~~ applies to outdoor lighting within five miles of the boundary of a military base in which an active training program is conducted;

(4) an ordinance or order that:

(A) regulates outdoor lighting; and

(B) is adopted under Subchapter B, Chapter 229, Local Government Code, or Subchapter B, Chapter 240, Local Government Code;

(5) a building located in a place or area designated for its historical, cultural, or architectural importance and significance that a municipality may regulate under Section 211.003(b), Local Government Code, if the municipality:

(A) is a certified local government under the National Historic Preservation Act (54 U.S.C. Section 300101 et seq.); or

(B) has an applicable landmark ordinance that meets the requirements under the certified local government program as determined by the Texas Historical Commission;

(6) a building located in a place or area designated for its historical, cultural, or architectural importance and significance by a governmental entity, if designated before April 1, 2019;

(7) a building located in an area designated as a historic district on the National Register of Historic Places;

(8) a building designated as a Recorded Texas Historic Landmark;

(9) a building designated as a State Archeological Landmark or State Antiquities Landmark;

(10) a building listed on the National Register of Historic Places or designated as a landmark by a governmental entity;

(11) a building located in a World Heritage Buffer Zone; ~~and~~

(12) a building located in an area designated for development, restoration, or preservation in a main street city under the main street program established under Section 442.014;

(13) a standard for a plumbing product required by an ordinance or other regulation implementing a water conservation plan or program described by Section 11.1271 or 13.146, Water Code; and

(14) a standard for a plumbing product imposed by the Texas Water Development Board as a condition of applying for or receiving financial assistance under a program administered by the board.

SECTION 2. Section 3000.004, Government Code, is amended to read as follows:

Sec. 3000.004. OTHER PROVISIONS NOT AFFECTED. This chapter does not affect provisions regarding:

(1) the installation of a fire sprinkler protection system under Section 1301.551(i), Occupations Code, or Section 775.045(a) (1), Health and Safety Code; or

(2) the enforcement of land use restrictions contained in plats and other instruments under Subchapter F, Chapter 212, Local Government Code.

SECTION 3. Section 212.151, Local Government Code, is amended to read as follows:

Sec. 212.151. MUNICIPALITY COVERED BY SUBCHAPTER. This subchapter applies only to a municipality:

(1) with a population of 1.5 million or more that passes an ordinance that requires uniform application and enforcement of this subchapter with regard to all property and residents;

(2) with a population of less than 4,000 that:

(A) is located in two counties, one of which has a population greater than 45,000; and

(B) borders Lake Lyndon B. Johnson; or

(3) ~~to a municipality~~ that does not have zoning ordinances and passes an ordinance that requires uniform application and enforcement of this subchapter with regard to all property and residents.

SECTION 4. This Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1090 passed the Senate on May 11, 2021, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1090 passed the House on May 26, 2021, by the following vote: Yeas 139, Nays 8, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 19, 2024

AGENDA ITEM CAPTION: Discussion and/or action to consider Ordinance 2024-08 regulating sexual offenders from loitering or establishing residency around locations where children regularly congregate.

ORIGINATING DEPARTMENT AND CONTACT: Police -

ACTION REQUESTED: Ordinance

BACKGROUND/SUMMARY/DISCUSSION: There are currently about 35 Registered Sex Offenders living in Lockhart. The number grows every year. They are classified as low, moderate and high-risk offenders. While these offenders are on Parole or Probation, they must live with restrictions designed to help them not re-offend. Once they are off of Parole and Probation, the restrictions are lifted. Law enforcement has no authority where sex offenders, off of probation or parole, live or loiter. The Lockhart Police Department has received requests from local citizens to implement an ordinance to regulate sex offenders, such as has been done in other cities.

Studies have shown that the recidivism rate for individuals required to register as sex offenders whose offenses were committed against children is alarmingly high based on a study performed by the U.S. Department of Justice, Office of Justice Programs, entitled "Recidivism of Adult Sex Offenders."

The ordinance creates Child Safety Zones, places where children 17 years of age or younger congregate. The ordinance prohibits registered sex offenders from loitering within 300 feet or residing within 1,500 feet of a Child Safety Zone.

Exceptions have been included for those who already have an established residence within 1,500 feet of a Child Safety Zone and for those conducting legitimate business within the child safety zone.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

City of Lockhart, Texas

Council Agenda Item Cover Sheet

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION:

LIST OF SUPPORTING DOCUMENTS: Proposed Ordinance 2024-08, 1000 Buffer Child Safety Zone Locations Includes Hike Bike Trail, 1500 Buffer Child Safety Zone Locations Includes Hike Bike Trail, 2000 Buffer Child Safety Zone Locations Includes Hike Bike Trail

ORDINANCE NO. 2024-08

AN ORDINANCE OF THE CITY OF LOCKHART, TEXAS REGULATING SEX OFFENDER RESIDENCY WITHIN THE CITY AND ESTABLISHING CHILD SAFETY ZONES; AMENDING CHAPTER 36 OF THE CODE OF ORDINANCES ENTITLED “OFFENSES AND MISCELLANEOUS PROVISIONS” BY ESTABLISHING ARTICLE III TO BE ENTITLED “REGULATION OF SEXUAL OFFENDERS;” MAKING IT UNLAWFUL FOR CERTAIN SEX OFFENDERS TO RESIDE WITHIN 1,500 FEET OF PREMISES WHERE CHILDREN COMMONLY GATHER; PROVIDING AFFIRMATIVE DEFENSES; PROVIDING PENALTIES FOR VIOLATIONS OF THE ORDINANCE; REPEALING ORDINANCE OR PART OF ORDINANCES IN CONFLICT THEREWITH; PROVIDING AN EFFECTIVE DATE, A SEVERABILITY CLAUSE, FINDINGS OF FACT AND PROVIDING FOR OPEN MEETINGS.

WHEREAS, The City of Lockhart, Texas (the “City”) is a home rule city having authority to utilize police power regulation for the health, safety, and general welfare of the citizens of the City; and

WHEREAS, the City Council of the City has determined there is a need to protect persons under 17 years of age from sexual predators and believe it is necessary to define and create child safety zones for the purposes of protecting persons under 17 years of age from sexual predators;

WHEREAS, the City Council of the City has determined that the recidivism rate for individuals required to register as sex offenders whose offenses were committed against children is alarmingly high based on a study performed by the U.S. Department of Justice, Office of Justice Programs, entitled Recidivism of Adult Sexual Offenders;

WHEREAS, the City is seeing an influx of new residents, including those with young children, which thereby is increasing the number of places where children congregate within the City;

WHEREAS, the City Council of the City finds that establishing a policy to restrict the residency of sex offenders to locations outside established child safety zones promotes the safety of children;

WHEREAS, the City Council of the City finds that ordinances establishing sex offender residency restrictions have been repeatedly recognized by state and federal courts as legitimate exercises of the police power and do not infringe upon the constitutional rights of convicted sex offenders; and

WHEREAS, the laws of the State of Texas, including those found in Chapter 51 of the Texas Local Government Code and the City Charter, provide the City authority to adopt ordinances for the good government, peace, order, and welfare of the City;

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, THAT:

SECTION 1. FINDINGS OF FACT

The above and foregoing recitals are hereby found to be true and correct and are incorporated herein as findings of fact.

SECTION 2. AMENDMENT OF CHAPTER 36.

Chapter 36 of the Code of Ordinances of the City entitled “Offenses and Miscellaneous Provisions” is hereby amended by establishing Article III entitled “Regulation of Sexual Offenders” with the following provisions.

ARTICLE III REGULATION OF SEXUAL OFFENDERS

Sec. 36-31 Purpose and Intent.

The City Council of the City finds that sex offenders who are required to register as sexual predators under V.T.C.A., Texas Code of Criminal Procedure, Chapter 62, present an extreme threat to the health, safety and welfare of children. It is the intent of this Chapter to serve the city's compelling interest to promote, protect and improve the health, safety, and welfare of the citizens of the City by creating areas around locations where children regularly congregate in concentrated numbers wherein certain registered sex offenders and sexual predators are prohibited from loitering or prohibited from establishing temporary or permanent residency.

Sec. 36-32 Definitions.

For the purposes of this subchapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

Child. Any person under the age of 17.

Child Day Care. Any place, home, or institution which provides temporary custodial care and is regulated by the State of Texas.

Child Safety Zone. —Including, but not limited to, areas including all improved and unimproved lots where the following are located or planned to be located:

- A. Public parks;
- B. Private and public schools;
- C. Public library;
- D. Amusement arcades or video arcades;
- E. Indoor and outdoor amusement centers or amusement parks, or carnivals, circuses, fairs or fair grounds;
- F. Public, commercial and semi-private swimming pools;
- G. Child Day Care Facilities;
- H. Public or private youth soccer, football or baseball fields;
- I. Crisis center or shelter;
- J. Skate park or rink;
- K. Public or private youth center;
- L. Movie theater;
- M. Bowling alley;
- N. Scouting facilities;
- O. Any public or private group, location or activity that regularly provides athletic, civic or cultural activities that includes as participants or recipients persons who are 17 years of age or younger, including but not limited to Public Halloween Festivals, Christmas celebrations, activities or Parades and Vacation Bible Schools;
- P. Offices for Child Protective Services.

Database. The Texas Department of Public Safety's Sex Offender Database or the Sex Offender Registration files maintained by the Sex Offender Registration Officer of the Lockhart Police Department.

Loiter Includes standing, sitting, the walking about aimlessly without apparent purpose; lingering; hanging out; hanging around; lagging behind; the idle spending of time; delaying; sauntering and moving slowly about, where such conduct is not due to physical defects or conditions, without a lawful purpose or for longer than necessary to complete a lawful purpose.

Park or Playground. Any of the following:

- A. Any land, including improvements to the land, that is administered, operated or managed by the City of Lockhart for the use of the general public as a recreational area.
- B. City recreational areas including, but not limited to, conservation area, jogging trail, hiking trail, bicycle trail, recreational center, waterpark, swimming pool, football field, soccer field or baseball field.

Permanent Residence. A place where the person abides, lodges or resides for 14 or more consecutive days.

Places where children regularly congregate. Same as Child Safety Zone.

Public Way. Any place to which the public, or a substantial group of the public, has access and includes, but is not limited to, streets, shopping centers, parking lots, transportation facilities, restaurants, shops and similar areas that are open to the use of the public.

School. A private or public pre-school, private or public elementary school or private or public secondary school.

Child Sex Offender. An individual who has been convicted of or placed on deferred adjudication for a sexual offense involving a person under 17 years of age for which the individual is required to register as a sex offender under Chapter 62, Texas Code of Criminal Procedure.

Temporary Residence. A place where a person abides, lodges or resides for a period of 14 or more days in the aggregate, during any calendar year and which is not the person's permanent address, or a place where the person routinely abides, lodges or resides for a period of four or more consecutive or nonconsecutive days in any month and which is not the person's permanent residence.

Sec. 36-33 Sex Offender Prohibition.

- A. It shall be unlawful for a Child Sex Offender to establish a permanent residence, or to establish a temporary residence within 1,500 feet of any premises comprising a school, child day care, park or playground or other places where children regularly congregate.
- B. It shall be unlawful for a person who owns, rents, leases, or inhabits property to knowingly allow a Child Sex Offender to establish a permanent residence, establish a temporary residence within 1,500 feet of any premises comprising a school, child day care, park or playground or other places where children regularly congregate.

- C. It shall be unlawful for a Child Sex Offender to enter and loiter in a Child Safety Zone.
- D. It shall be unlawful a Child Sex Offender to loiter on a public way within 300 feet of a Child Safety Zone.
- E. A Child Sex Offender shall not, on each October 30th and 31st, or any other date set by the City for trick-or-treaters, leave an exterior porch light on or otherwise invite trick-or-treaters to solicit the premises and shall post a sign in front of the premises that reads "This residence does not recognize Halloween."

Sec. 36-34 Evidentiary Matters.

- A. If a sex offender who is prohibited from being in a Child Safety Zone is found in a Child Safety Zone by a police officer, the sex offender is subject to punishment in accordance with this subchapter.
- B. It shall be prima facie evidence that this subchapter applies to such a person if that person's record appears in/on the database and the database indicates that the victim was less than 17 years of age.
- C. For the purpose of determining the minimum distance of separation under this article, the distance shall be measured by following a straight line from the outer property line of the permanent or temporary residence to the nearest property line of the premises of a Child Safety Zone, or other places where children regularly congregate, as described hereinabove, or, in the case of multiple residences on one property, measuring from the nearest property line of the premises of a Child Safety Zone or other places where children regularly congregate, as described herein.
- D. In cases of a dispute over measured distances, it shall be incumbent upon the party challenging the measurement to prove otherwise.
- E. A map depicting the prohibited areas shall be created by the City of Lockhart and maintained by the Lockhart Police Department. The City of Lockhart shall review the map annually for changes. Said map will be available to the public at the Lockhart Police Department or available on the City of Lockhart Website or Lockhart Police Department Website.
- F. Neither allegation nor evidence of a culpable mental state is required for the proof of an offense defined in this article.

Sec. 36-35 Affirmative defenses.

The following shall be affirmative defenses to prosecution under this article that any of the following conditions apply:

- A. It shall be an affirmative defense under Sec. 36-33(A) if the person required to register in/on the database established their permanent residence or temporary residence and such residency has been consistently maintained and the person has complied with all of the Child Sex Offender Registration laws of the State of Texas prior to the date of the adoption of this subchapter, provided, however that if the person required to register in/on the database established the permanent or temporary residence through a lease or other rental arrangement in effect on the effective date of this article, this affirmative defense shall not apply upon termination of the

lease/rental arrangement that is in effect on the effective date of this article, and/or if that person required to register in/on the database is incarcerated for a period of one year or more, this affirmative defense shall not apply.

- B. It shall be an affirmative defense under Sec. 36-33(A) if the person required to register on the database lives in a medical facility for care where services are designed to meet a person's health or personal care needs during a short or long period of time. Medical facilities are defined as hospitals or inpatient facilities.
- C. It shall be an affirmative defense under Sec. 36-33(A) if the premises where children regularly congregate, as specified herein, within 1,500 feet of the permanent or temporary residence of the person required to register in/on the database was opened after the person established the permanent or temporary residence and the person complied with all Child Sex Offender Registration laws of the State of Texas.
- D. It shall be an affirmative defense under Sec. 36-33 if the information in/on the database is incorrect, and, if corrected, this subchapter would not apply to the person who was erroneously listed in/on the database.
- E. The person required to register in/on the database was a minor when he or she committed the offense requiring such registration and was not convicted as an adult.
- F. The person required to register is required to serve a sentence at a jail, prison, juvenile facility or other correctional institution located within 1,500 feet of the premises comprising a school, child day care, park or playground or other places where children regularly congregate.
- G. The person required to register is under 18 years of age or a ward under a guardianship, who resides with a parent or guardian.
- H. The person required to register has been exempted by a court order from registration as a child sex offender under Chapter 62, Texas Code of Criminal Procedure.
- I. The person required to register has had the offense for which the sex offender registration was required reversed on appeal or pardoned.
- J. The person's duty to register in/on the database has expired.
- K. The person was within a child safety zone performing community service ruled by a magistrate.
- L. Nothing in this provision shall require any person to sell or otherwise dispose of any real estate or home acquired or owned prior to the conviction of the person as a sex offender.
- M. The person is adhering to local school policy or is otherwise preempted from this Section by State Law.
- N. It shall be an affirmative defense to prosecution under this Ordinance if the person enters a Child Safety Zone for a legitimate purpose. A legitimate purpose includes:
 - 1. Transportation of a child that the Child Sex Offender is legally permitted to be with;
 - 2. Transportation to and from the registered sex offender's work;
 - 3. Other work-related purposes; and
 - 4. Engaging in lawful acts of commerce.

SECTION 2. PENALTY CLAUSE.

Any person who violates the provisions of this article shall be charged with a class C misdemeanor; and upon conviction shall be fined as provided for in Sec. 1-8 of this Code for each day that a violation exists, and a separate offense shall be deemed committed upon each day during or on which a violation occurs or continues.

SECTION 3.AMENDMENT OF ORDINANCES.

The City Code of Ordinances, Chapter 36, is hereby amended to the extent of any conflict or inconsistency herewith only and all ordinance or parts thereof conflicting or inconsistent with the provisions of this Ordinances as adopted and amended herein, are hereby amended to the extent of such conflict. In the event of a conflict or inconsistency between this Ordinance and any other code or ordinance of the City, the terms and provisions of this Ordinance shall govern.

SECTION 4. SEVERABILITY.

In the event any clause, phrase, provision, sentence, or any part of this Ordinance or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Lockhart, Texas declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

SECTION 5. NOTICE BY PUBLICATION

The City Secretary shall give notice of the enactment of this Ordinance by promptly publishing it or its description caption and penalty after final passage in the official newspaper of the City. This Ordinance shall take effect ten days after the date of such publication.

SECTION 6. EFFECTIVE DATE.

This Ordinance shall take effect immediately from and after publication in accordance with the provisions of the City Charter and the Local Government Code.

SECTION 7. OPEN MEETING COMPLIANCE

It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public as required by law and that public notice of the time, place and purpose of said meeting was given as required by the Texas Open Meetings Act, Texas Government Code, Chapter 551.

PASSED AND APPROVED by the City Council of the City of Lockhart, Texas, on this this 19TH day of March 2024.

CITY OF LOCKHART, TEXAS

LEW WHITE, Mayor

ATTEST:

JULIE BOWERMON, City Secretary

APPROVED AS TO FORM:

BRADFORD E. BULLOCK, City Attorney

HIKE BIKE TRAIL

CPS & CALDWELL COUNTY FAIRGROUNDS

LIBRARY AND CHURCH PROPERTY

LISD AND PRIVATE SCHOOLS AND DAYCARES

CITY OF LOCKHART PARKS

PARCEL BOUNDARY

CITY LIMITS

CITY OF LOCKHART ETJ

3/19/2024

HIKE BIKE TRAIL

CPS & CALDWELL COUNTY FAIRGROUNDS

LIBRARY AND CHURCH PROPERTY

LISD AND PRIVATE SCHOOLS AND DAYCARES

CITY OF LOCKHART PARKS

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CITY OF LOCKHART ETJ

3/19/2024

HIKE BIKE TRAIL

CPS & CALDWELL COUNTY FAIRGROUNDS

LIBRARY AND CHURCH PROPERTY

LISD AND PRIVATE SCHOOLS AND DAYCARES

CITY OF LOCKHART PARKS

PARCEL BOUNDARY

CITY LIMITS

CITY OF LOCKHART ETJ

3/19/2024

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 19, 2024

AGENDA ITEM CAPTION: Discussion and/or possible action on Resolution 2024-10 to select a grant administration service provider to complete an application and with funding, project implementation for the General Land Office (GLO) CDBG-MIT Method of Distribution project and authorize the City Manager to sign contract with selected firm.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Joseph Resendez

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: City staff issued a Request for Proposals (RFP) for professional grant administration services on February 1st, 2024 with an application deadline of February 15th, 2024. These proposals were solicited to procure a grant administration firm to assist the City in the application, implementation, and administration of the proposed waterline replacement project submitted to the Texas General Land Office (GLO) for consideration.

Staff received four responses from the following grant administration service providers (alphabetical): Community Development Management Co., Langford Community Management Services (LCMS), GrantWorks, and Public Management, Inc (PMI). Each proposal was reviewed and scored by a three-person committee. Based on these results, staff is recommending a contract with Langford Community Management Services (LCMS).

Based in Liberty Hill and serving Texas communities since 1983, LCMS has extensive experience with state and federal grant projects. They are a Woman Owned Business Enterprise (WBE) and a Certified Historically Underutilized Business (HUB) with the Texas Secretary of State's office. Staff have also been advised the designated personnel from LCMS assigned to our project have previous work experience as a former employee of the General Land Office (GLO) and will be on-site during pre-construction meetings to coordinate with engineering and the selected construction contractor.

History

City Council approved a final project scope and cost estimate for a proposed waterline replacement project at the February 6th, 2024, Council meeting. The proposed project includes the replacement of 6 fire hydrants, 18 Isolations/gate valves, and 3,300 linear feet (LF) of 8" waterline. Further, this proposed project completes required utility line upgrades for the Blanco Street Bridge/TxDOT project and prepares the underlying utilities for future street overlay project consideration.

Additional requirements mandate at least 50% of total funds (\$945,000) must be spent on projects that directly benefit Low-and-Moderate-Income (LMI) persons within the city and a

City of Lockhart, Texas

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minimum 14-day public participation period. The public participation period began on February 9th, 2024 and closed February 23rd, 2024. Postings to the city website and City Hall notification board were made available for public review. City Council also held a public hearing at the February 20th, 2024 Council meeting as an opportunity for public input. Staff did not receive any public comments during this period.

GLO funds have been appropriated to the City for eligible projects. However, an application must be submitted to access this funding.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

FISCAL NOTE (if applicable): According to the grant funding requirements, a limit of 8% of Total Project Cost (estimated at \$139,657) is eligible for reimbursement for Grant Administration. The proposed fee schedule from Langford Community Management Services (LCMS) is 6.5% of the Total Project Cost. At the current scope, this is estimated at \$113,471.

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approval of the proposed Resolution 2024-10 as presented.

LIST OF SUPPORTING DOCUMENTS: Resolution 2024-10 - Grant Administration for GLO CDBG-MIT-MOD

RESOLUTION 2024-10

A RESOLUTION OF THE CITY OF LOCKHART, TEXAS, AUTHORIZING THE AWARD OF A GRANT ADMINISTRATION SERVICES CONTRACT FOR THE GENERAL LAND OFFICE (GLO) COMMUNITY DEVELOPMENT BLOCK GRANT – MITIGATION - METHOD OF DISTRIBUTION (CDBG-MIT-MOD) PROGRAM AND AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH LANGFORD COMMUNITY MANAGEMENT SERVICES (LCMS).

WHEREAS, the CDBG-MIT Method of Distribution (MOD) programs require application preparation and with funding, implementation by professionals experienced in the administration of federally-funded community development projects;

WHEREAS, in order to identify qualified and responsive providers for these services a Request for Proposals (RFP) process for administration services has been completed in accordance with State and Federal requirements for the CDBG and Mitigation programs;

WHEREAS, the proposals received by the due date have been reviewed to determine the most qualified and responsive providers for each professional service and scored accordingly;

NOW, THEREFORE, BE IT RESOLVED:

- Section 1. That **Langford Community Management Services (LCMS)** be awarded a contract to provide CDBG-MIT-MOD program application and project-related **grant administration services**.
- Section 2. That any and all contracts or commitments made with the above-named services providers are dependent on the successful negotiation of a contract with the service provider;
- Section 3. That the City Manager is authorized to execute a contract with selected provider.

PASSED AND APPROVED on the 19th day of March, 2024.

CITY OF LOCKHART:

Mayor

ATTEST:

City Secretary

City of Lockhart, Texas

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COUNCIL MEETING DATE: March 19, 2024

AGENDA ITEM CAPTION: Discussion and/or possible action on Resolution 2024-11 to select an engineering firm to assist in the project implementation including design and construction oversight for the General Land Office (GLO) CDBG-MIT Method of Distribution project and authorize the City Manager to complete negotiations with selected firm and sign contract.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Joseph Resendez

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: City staff issued a Request for Qualifications (RFP) for engineering services on February 1st, 2024 with an application deadline of February 15th, 2024. These statements of qualification (SOQ) were solicited to procure an engineering services firm to assist the City in the application and implementation of the proposed waterline replacement project submitted to the Texas General Land Office (GLO) for consideration.

Staff received four responses from the following engineering services firm (alphabetical): Doucet & Associates, Inc. (Doucet), KSA, Rakowitz Engineering & Surveying, and Schaumburg & Polk, Inc. (SPI). Each SOQ was reviewed and scored by a three-person committee. Based on these results, staff is recommending a contract with Doucet & Associates, Inc. (Doucet).

Based in Austin and founded in 1992, Doucet has extensive experience with Central Texas municipal and county clients on drainage, transportation, water, and wastewater projects. Many of these previous regional projects also involved grant funding through the CDBG-Disaster Recovery (DR) and CDBG-Mitigation (MIT) programs. Previously, Doucet was the project engineer for the Lockhart Industrial Park III Utility Improvements.

History

City Council approved a final project scope and cost estimate for a proposed waterline replacement project at the February 6th, 2024, Council meeting. The proposed project includes the replacement of 6 fire hydrants, 18 Isolations/gate valves, and 3,300 linear feet (LF) of 8" waterline. Further, this proposed project completes required utility line upgrades for the Blanco Street Bridge/TxDOT project and prepares the underlying utilities for future street overlay project consideration.

Additional requirements mandate at least 50% of total funds (\$945,000) must be spent on projects that directly benefit Low-and-Moderate-Income (LMI) persons within the city and a minimum 14-day public participation period. The public participation period began on February 9th, 2024 and closed February 23rd, 2024. Postings to the city website and City Hall notification board were made available for public review. City Council also held a public

City of Lockhart, Texas

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hearing at the February 20th, 2024 Council meeting as an opportunity for public input. Staff did not receive any public comments during this period.

GLO funds have been appropriated to the City for eligible projects. However, an application must be submitted to access this funding.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

FISCAL NOTE (if applicable): According to the grant funding requirements, a limit of 15% of Construction Cost is eligible for reimbursement for Engineering Services. At the current scope, this is estimated at \$227,702. The final proposed fee schedule from Doucet will be determined during the negotiation process.

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approval of the proposed Resolution 2024-11 as presented.

LIST OF SUPPORTING DOCUMENTS: Resolution 2024-11 - Engineering for GLO CDBG-MIT-MOD, .

RESOLUTION 2024-11

A RESOLUTION OF THE CITY OF LOCKHART, TEXAS, AUTHORIZING THE SELECTION OF A PROFESSIONAL SERVICES PROVIDER FOR THE GENERAL LAND OFFICE (GLO) COMMUNITY DEVELOPMENT BLOCK GRANT – MITIGATION - METHOD OF DISTRIBUTION (CDBG-MIT-MOD) PROGRAM AND AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT POST NEGOTIATIONS WITH PROVIDER.

WHEREAS, the GLO CDBG-MIT Method of Distribution (MOD) contract requires application preparation and implementation by professionals experienced in the Engineering of State or federally funded disaster recovery projects.

WHEREAS, in order to identify qualified and responsive providers for these services a Request for Qualifications (RFQ) process for engineering services has been completed in accordance with GLO CDBG-MIT MOD requirements.

WHEREAS, the Statement of Qualifications Proposals were received by the due date and have been reviewed to determine the most qualified and responsive providers for each professional service giving consideration to ability to perform successfully under the terms and conditions of the proposed procurement, integrity, compliance with public policy, record of past performance, and financial and technical resources;

NOW, THEREFORE, BE IT RESOLVED:

- Section 1. That the attached list of engineering firms (EXHIBIT A) be approved by council in the order in which they are listed and authorize the City Manager to negotiate contract terms with the highest scoring firm to provide GLO CDBG-MIT-MOD application and project-related **engineering services**. If agreeable terms cannot be reached with the highest scoring firm, the City Manager is approved to cease negotiations and move to the next highest scoring firm and begin negotiations. With agreeable terms met with the selected engineering firm, the City Manager is authorized to sign a contract with the firm.
- Section 2. That any and all project-related services contracts or commitments made with the above-named service provider are dependent on the successful negotiation of a contract with the service provider.

PASSED AND APPROVED on the 19th day of March, 2024.

APPROVED:

Mayor

ATTEST:

City Secretary

EXHIBIT A

	Engineering Services Firm	Avg Score
1.	Doucet & Associates, Inc. (Doucet)	96
2.	KSA	93
3.	Schaumburg & Polk, Inc. (SPI)	92
4.	Rakowitz Engineering & Surveying	82



Lockhart

T E X A S

2022-2023 Strategic Work Plan



The Strategic Planning Process

From January through April 2022, the City of Lockhart embarked on a strategic planning process to create strategic priorities for 2022-2023. The following is the process used to reach the conclusions for the plan:

The process kicked off with a preliminary Zoom between the City Manager, Steve Lewis, Mayor Lew White, and professional facilitator Alysia A. Cook, PCED, IOM with Opportunity Strategies LLC. The three met to review key issues facing the city, understand the programs and projects currently underway, and to prepare the process and format for the planning session.

On April 8, 2022, the City of Lockhart Management Team met at the Library for Part 1 of the Strategic Work Planning Session for 2022-2023.

On April 9, 2022, the City of Lockhart City Council and City Manager met at the Library for Part 2 of the Strategic Work Planning Session for 2022-2023.



Day One – Management Team

Day One began with City Manager Steve Lewis reviewing with the Management Team the City of Lockhart's accomplishments and success stories of 2021.

Following that, the City Manager and the facilitator shared some leadership concepts and considerations with the Lockhart Management Team. This led to some group discussions about the importance of continuous learning and leadership development.

The City Manager discussed with the participants that when goals are adopted by the City Council, they provide a positive impact for the Management Team in at least 4 different ways:

- a) Direction is clearly set by City Council
- b) Once that direction is established, differences can be discussed in a more open, less polarizing manner
- c) Saves time in decision making on projects/programs
- d) City Manager's recommendations can be better aligned with ultimate objectives

Mission of Lockhart Management Team

To promote and influence the alignment of organizational resources by focusing on:

- a) Organizational planning and issues
- b) Open communication with elected officials, staff, boards, commissions, and citizens
- c) Ensuring City of Lockhart is a leader in Central Texas regarding issues with community relevance
- d) Implementing programs that derive from the City Council and community's goals

Start – Stop – Continue

The facilitator then engaged the Management Team in a group exercise called *Start – Stop – Continue* which divides participants into small groups and has them offer feedback on what the City needs to start doing, stop doing, and continue doing.

These are individual manager recommendations and not necessarily agreed to by all managers or by City Council members. The responses are as follows:

Start

- Long-term capital planning
- Increasing non-emergency communications
- Administering annual customer service surveys that are statistically valid
- Developing recreation programs
- Indoor community recreation center
- City facilities and community infrastructure improvements
- New spaces for city facilities
- Modernize Human Resources policies including technology
- A vehicle acquisition fund
- Decreasing steps in the hiring process
- Staff planning for future growth
- Modernizing our contracts, best practices, attorney, etc. including reviewing for mutually beneficial language and avoiding one-sided contracts

Stop

- Ineffective/outdated contracts
- Thinking small
- Six-month probationary period for personnel
- Reconnecting customers after 10pm
- Providing free services (such as banners and road closures) and establish a fee schedule for these special requests
- Requiring utility inspections for every change of occupant

Continue

- Longevity pay
- Forward-looking planning for quality growth
- Law enforcement outreach with community
- Contracting (sending RFPs) for solid waste collection
- Supporting tourism
- Modernizing technology, e.g. paperless, Go Green
- Enhancing community investment
- Planning our wayfinding and signage
- Growing events that enhance overnight stays in Lockhart and maximize HOT \$ collections
- Economic growth including considering developing a 4th industrial park
- Striving for improved customer service
- Community engagement including public open houses and social media



Next, the Management Team embarked on a discussion around the following topics which also included some departmental reports on the status of various projects:

- Growth Trends
- Land Development
- Economic Development
- Service Delivery
- Workforce Development
- Long Range Financial Outlook

Following those discussions, the facilitator led the Management Team through a discussion of what they each thought should be the 2022-2023 goals City Council would establish the following day. She recorded those recommendations, then the group reached consensus on what would be put forth to the Council to consider.

The final decisions for 2022-2023 were made by City Council the following day and are listed below.

Day Two – City Council

Day Two began with City Manager Steve Lewis reviewing with City Council the City of Lockhart's accomplishments and success stories of 2021.

Expectations – City Council

Following that, the facilitator asked City Council to share any expectations for the day. Responses were as follows:

- TxDOT – Wayfinding and Signage
- Summerside Subdivision turn lane and traffic light
- Urgent Care facility
- Comprehensive mental health care for first responders
- Keeping City Staff wages competitive
- Need for an Assistant City Manager
- Need for a grantwriter
- Regional animal shelter
- Next industrial park and/or property

The following is the City of Lockhart 2022-2023 Strategic Work Plan.

City of Lockhart Vision:

- To be a first-class community that has maintained its integrity and sense of community characterized by livable neighborhoods and quality schools.
- To be a City that focuses on family by ensuring quality recreational and cultural activities, services, housing, economic, and educational opportunities that promote a well-rounded productive member of the community.
- To be a City that is friendly to visitors and future residents with a spirit of fellowship and cooperation by accommodating their needs and recognizing the wealth in cultural, ethnic and age diversity.
- To be a City committed to sustainability by diligently balancing community needs with available resources and managing growth in a smart and fiscally responsible manner.
- To be a City that celebrates and embraces its long and rich history by reinvesting in neighborhoods, preserving areas and buildings of historic significance and returning the Central Business District to an economically viable and lively activity center.
- To be a City recognized for the quality of its built environment and the integration of the natural landscape throughout the community.
- To be a City that ensures a good balance between residential, commercial, industrial, and public/institutional uses supported by quality infrastructure and transportation systems.
- To be a City known for its innovative solutions to managing growth, progressiveness of City government, and responsiveness to the needs of citizens and businesses.

Source: Lockhart 2020 Comprehensive Plan

Goal #1:

**City
Facilities**

Goal #2:

**Human Resources/
Staffing**

Goal #3:

**Parks &
Recreation**

Goal #4:

Infrastructure

Goal #5:

**Modernization &
Communications**

Goal #6:

**Development &
Quality of Life**

Goal #7:

**Revenue
Sustainability**

2022-2023 Goals:

Each of the following seven goals is guided by the values of diversity and inclusion. Diversity and inclusion are a tapestry that is woven through every goal, every service, and every program.

Goal #1: City Facilities

To begin planning for new city facilities and offices.

Goal #2: Human Resources/Staffing

To enhance our HR services to ensure Lockhart remains a competitive employer.

Goal #3: Parks & Recreation

To develop the Parks & Recreation program and services.

Goal #4: Infrastructure

To enhance physical infrastructure and branded wayfinding throughout Lockhart.

Goal #5: Modernization & Communications

To modernize our in-house and online technology, systems, and communications to serve residents more efficiently and tell the Lockhart story.

Goal #6: Development & Quality of Life

To continually improve the quality of life and employment opportunities of the people of Lockhart.

Goal #7: Revenue Sustainability

To ensure the long-term financial health and sustainability of the City of Lockhart.

Goal #1: City Facilities

To begin planning for new city facilities and offices.

- 1.1 Consider which facilities improvements should be funded by certificates of obligation vs. bonds
- 1.2 Begin plans to replace/update City Hall
- 1.3 Begin plans to replace/update Police/Fire/Training facilities
- 1.4 Begin plans to replace/update Maintenance/City Barn Utilities
- 1.5 Reclaim old space at the hospital
- 1.6 Lease additional space at the EDC building
- 1.7 Conduct a Facilities Study with architects and engineers
- 1.8 Consider Airport improvements (TxDOT Aviation) in the study

Goal #2: Human Resources/Staffing

To enhance our HR services to ensure Lockhart remains a competitive employer.

- 2.1 Hire ACM (Assistant City Manager) immediately
- 2.2 Hire City Manager Support Staff (Executive Assistant or Administrative Assistant)
- 2.3 Once new ACM is hired, assign him/her with developing a Staffing Plan
- 2.4 Once new ACM is hired, assign him/her with developing a Succession Plan
- 2.5 Consider adding additional staff city-wide as needed
- 2.6 Retain law enforcement officers by ensuring compensation competitiveness
- 2.7 Implement a formal EAP (Employee Assistance Program)
- 2.8 Secure a grantwriter (explore opportunities for hiring one vs. contractor)

Goal #3: Parks & Recreation

To develop the Parks & Recreation program and services.

- 3.1 Develop adult and youth programming that utilize existing facilities
- 3.2 Conduct successful outreach to sports leagues across Texas and neighboring states
- 3.3 Consider new Parks & Rec facilities such as pickleball, volleyball, and frisbee golf
- 3.4 Plan for and implement safety improvements of existing facilities
- 3.5 Plan for and implement aesthetic improvements of existing facilities
- 3.6 City Council requests to meet with Parks & Rec Director and City Manager to discuss ideas and brainstorm next steps in the Parks Plan including:
 - Work session, then tour Parks facilities with Parks & Rec Director
 - Discuss short-term vs. long-term Parks & Rec needs
 - Develop plan to survey citizens including bond exploration

Goal #4: Infrastructure

To enhance physical infrastructure and branded wayfinding throughout Lockhart.

- 4.1 Conduct public open houses to determine public wishes for Downtown
- 4.2 Council to approve a final Downtown Conceptual Design and authorize staff to implement
- 4.3 Consider an additional commercial district with retail and mixed-use offerings
- 4.4 Issue the RFP for a Comprehensive Plan update (hire firm by January 2023, then CIP (capital improvement plan) to follow
- 4.5 Explore downtown WiFi options including geofencing

Goal #5: Modernization & Communications

To modernize our in-house and online technology, systems, and communications to serve residents more efficiently and tell the Lockhart story.

- 5.1 PIO (Public Information Officer) to secure proposals for a new website design including:
 - Online forms and application portals (permitting, employment, variance requests, etc.)
 - Must be mobile responsive platform
 - Ensure ease of use and innovative utility of site
 - Include a portal to the Lockhart Economic Development Corporation website
- 5.2 Hire a consultant to 1) build a survey to ask the public what information they seek to find on the City of Lockhart website and 2) compare Lockhart website to other communities with high utilization of an innovative website
- 5.3 Streamline application processes of permits, developer proposals, engineering, employment, etc. to be placed on website (see 5.1)
- 5.4 Verify internet access at all City facilities



Goal #6: Development & Quality of Life

To continually improve the quality of life and employment opportunities of the people of Lockhart.

- 6.1 Consider proposed sidewalk ordinance
- 6.2 Facilitate/incentivize more housing options including:
 - Rental housing options
 - Workforce housing options
 - Higher-income housing
 - Infill/revitalized housing within centers of commerce (existing or planned)
 - Senior/retiree housing
- 6.3 Continue to promote family-friendly events in Downtown
- 6.4 Encourage higher development standards (within state legislature constraints) to research modernization techniques and make recommendations to City Manager for consideration
- 6.5 Continue to implement Animal Control Audit recommendations
- 6.6 Continue to provide concerts on the square

Goal #7: Revenue Sustainability

To ensure the long-term financial health and sustainability of the City of Lockhart.

- 7.1 Explore and increase film production permitting fees
- 7.2 Create and implement fees for banners, road closures, event special requests
- 7.3 Use grantwriter (see 2.8) to find and write grants that benefit the City of Lockhart and its residents
- 7.4 Conduct discussions between City Council and Staff regarding which items can/should be funded by certificates of obligation vs. bonds
- 7.5 Update/increase construction permit fees and impact fees
- 7.6 Explore a bond vote for the items proposed by Parks & Rec and Council from Goal #3
- 7.7 Explore the concept of a Community Foundation with community benefactor options including other communities who have successfully created and implemented a Community Foundation

City of Lockhart Leadership

The 2022 City Council and Management Team participating:

City Council:

Lew White, Mayor
Angie Gonzales-Sanchez, Mayor Pro-Tem
Brad Westmoreland, Councilmember At-Large
Juan Mendoza, Councilmember District 1
David Bryant, Councilmember District 2
Kara McGregor, Councilmember District 3
Jeffrey Michelson, Councilmember District 4

Management Team:

Steve Lewis, City Manager
Julie Bowermon, Director of Human Resources
Connie Constancio, City Secretary
Travis Hughes, Director of Parks & Recreation
Randy Jenkins, Fire Chief
Mike Kamerlander, Economic Development Director
Sean Kelley, Public Works Director
Pam Larison, Director of Finance
Bobby Leos, Electric Superintendent
Victoria Maranan, Public Information Officer
Bertha Martinez, Director of Library Services
Ernest Pedraza, Chief of Police





City of Lockhart

2020-2021 Strategic Priorities

Prepared by:

