PUBLIC NOTICE

AGENDA

LOCKHART CITY COUNCIL

April 21, 2026

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 proclamations declaring April 2026 as Child Abuse and Sexual Assault Awareness & Prevention Month. **5-6**

B. Presentation and discussion of the City of Lockhart and the Lockhart Economic Development Corporation's Fiscal Year 2024-25 Annual Comprehensive Financial Report (annual financial audit) by BrooksWatson & Company, PLLC., an independent public accounting firm. **7-217**

C. Presentation and discussion of the Lockhart Freedom Act first quarterly report for 2026. **218-219**

D. Discuss the 2nd Quarter Fiscal Year 2026 Investment Report. **220-229**

E. Discuss Mid-Year Financial Report for FYE 2026. **230-240**

F. Discuss the Preliminary Budget and Tax Calendar for Fiscal Year 2026-2027. **241-242**

G. Discuss an extension to the FY 2025 Hotel Occupancy Tax Agreement with the Gaslight-Baker Theater, updating the project completion deadline to June 30, 2026, and authorize the City Manager to execute the contract amendment. **243-248**

H. Discussion regarding the purchase of a replacement M420B Base Station from Aqua-Metric through the HGAC Buy Purchasing Cooperative (Contract No. WM09-20) in the amount of $69,926.54 for the Electric, Water, and Wastewater Departments, and authorize the City Manager to execute any necessary documents. **249-255**

I. Discussion regarding Project Ice House (Phase 1) with Techline Construction for system rehabilitation improvements to the LK20 feeder circuit in the amount of $324,970, and authorize the City Manager to execute all necessary documents. **256-258**

J. Discussion regarding the Indoor Recreation Center project, including consideration of Phase 1 of a new Recreation Center or renovation of the Old Town Movie Theater, and authorize the City Manager to negotiate a design contract with Barker-Rinker-Seacat (BRS) and return to City Council for consideration. 259-348

K. Discuss the City Council minutes of the March 18, 2025, April 1, 2025, April 15, 2025, May 6, 2025, and September 2, 2025 meetings. 349-387

7:30 P.M. REGULAR MEETING

1. CALL TO ORDER
Mayor Lew White

2. INVOCATION, PLEDGE OF ALLEGIANCE
Invocation. Pledge of Allegiance to the United States and Texas flags.

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

4. PUBLIC HEARING/COUNCIL ACTION

A. Hold a PUBLIC HEARING regarding application ZC-26-02, by Anthony Goode on behalf of CSW Lockhart LP, and discussion and/or action to consider Ordinance 2026-12 for a ZONING CHANGE from *IL Light Industrial District* to *CHB Commercial Heavy Business District* on a total of 1.806 acres described as Lockhart Industrial Park II, Block 1, Lot 4B, Resubdivision 2, located at 221 East MLK Industrial Boulevard. 388-403

5. CONSENT AGENDA

A. Accept the City of Lockhart and the Lockhart Economic Development Corporation's Fiscal Year 2024-25 Annual Comprehensive Financial Report (annual financial audit) by BrooksWatson & Company, PLLC., an independent public accounting firm. 404-614

B. Receive the Lockhart Freedom Act first quarterly report for 2026. 615-616

C. Acceptance of the 2nd Quarter Fiscal Year 2026 Investment Report 617-626

D. Receive the Mid-Year Financial Report for FYE 2026. 627-637

E. Approve the Preliminary Budget and Tax Calendar for Fiscal Year 2026-2027. 638-639

F. Approve the City Council minutes of the March 18, 2025, April 1, 2025, April 15, 2025, May 6, 2025, and September 2, 2025 meetings. 640-678

6. DISCUSSION/ACTION ITEMS

A. Discussion and/or action to consider an extension to the FY 2025 Hotel Occupancy Tax Agreement with the Gaslight-Baker Theater, updating the project completion deadline to June 30, 2026, and authorize the City Manager to execute the contract amendment. **679-684**

B. Discussion and/or action to consider the purchase of a replacement M420B Base Station from Aqua-Metric through the HGAC Buy Purchasing Cooperative (Contract No. WM09-20) in the amount of $69,926.54 for the Electric, Water, and Wastewater Departments, and authorize the City Manager to execute any necessary documents. **685-691**

C. Discussion and/or action to consider approval of Project Ice House (Phase 1) with Techline Construction for system rehabilitation improvements to the LK20 feeder circuit in the amount of $324,970, and authorize the City Manager to execute all necessary documents. **692-694**

D. Discussion and/or action to provide direction on the Indoor Recreation Center project, including consideration of Phase 1 of a new Recreation Center or renovation of the Old Town Movie Theater, and authorize the City Manager to negotiate a design contract with Barker-Rinker-Seacat (BRS) and return to City Council for consideration. **695-784**

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

- Kiwanis 5K Stampede scheduled for April 25.
- Cinco de Mayo event to be held May 1 - 2.
- Report on LCRA Steps Forward volunteer program at Lions Park.
- Reminder: early voting for the special runoff election will be held April 20 - 28, 2026.

8. COUNCIL AND STAFF COMMENTS - ITEMS OF COMMUNITY INTEREST

9. EXECUTIVE SESSION IN ACCORDANCE WITH THE PROVISIONS OF GOVERNMENT CODE, TITLE 5, SUBCHAPTER D, SECTION 551.071, PRIVATE CONSULTATION WITH ATTORNEY TO SEEK LEGAL ADVICE ABOUT MATTERS SUBJECT TO THE ATTORNEY CLIENT PRIVILEGE:

A. Legal advice regarding municipal obligations related to proposed developments in and near the City of Lockhart: Livengood Development located near US 183 and Robin Ranch Road, Hillwood Enterprises Development locate near US 183 and Dry Creek Road,

and Ventana Vista master planned community located near the intersection of City Line Road and Clear Fork Street and north of State Park Road.

10. OPEN SESSION

A. Discussion and/or action regarding municipal obligations related to proposed developments in and near the City of Lockhart: Livengood Development located near US 183 and Robin Ranch Road, Hillwood Enterprises Development locate near US 183 and Dry Creek Road, and Ventana Vista master planned community located near the intersection of City Line Road and Clear Fork Street and north of State Park Road.

11. ADJOURNMENT

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

Posted on the bulletin board in the Municipal Building, 308 West San Antonio Street, Lockhart, Texas, on the April 15, 2026 at 5:00 p.m.

Proclamation

WHEREAS, More than **51,985** cases of child abuse and neglect were confirmed in Texas in 2025 resulting in **4,287** children in foster care in Texas, and the death of **125** children in Texas in 2025; and

WHEREAS, **121** children were confirmed victims of abuse in Caldwell County in 2025; and

WHEREAS, child abuse prevention is a community responsibility and finding solutions depends on involvement among all people. Through the perseverance of our many community organizations working daily to end child abuse, we continually served children throughout the pandemic; and

WHEREAS, locally, representatives from Caldwell County District Attorney's Office, Hays-Caldwell Women's Center and Roxanne's House, Texas Department of Family and Protective Services, Court Appointed Special Advocates (CASA), Lockhart, Luling and Martindale Police Departments, Caldwell County Sheriff's Office, Bluebird's Hope and Christus Santa Rosa- San Marcos have joined forces to provide preventive and supportive services to child victims and their families; and

WHEREAS, every child in Lockhart, Texas deserves to be safe, nurtured and supported in caring relationships; and

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

April 2026

as

"CHILD ABUSE PREVENTION AND AWARENESS MONTH"

and do hereby call upon the citizens of Lockhart to work together to raise awareness and prevent child abuse in our community and beyond.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused to be affixed the Seal of the City of Lockhart, Texas, this 21st day of April, 2026.

ATTEST:

_____
Julie Bowermon
City Secretary

CITY OF LOCKHART

_____
Lew White
Mayor

Proclamation

WHEREAS, 6.3 million Texans have experienced some form of sexual assault in their lifetime; and

WHEREAS, 2 in 5 women and 1 in 5 men in Texas have been sexually assaulted in their lifetime affecting all races, ages, genders and economic situations; and

WHEREAS, the Hays-Caldwell Women's Center provided direct services to **471** adult victims of sexual assault in Hays and Caldwell Counties last year; and

WHEREAS, the City of Lockhart is intolerant of sexual violence in any form and recognizes that education and awareness may prevent sexual assault; and

WHEREAS, efforts to reduce sexual assault can only be successful through citizen involvement, and the safety of the citizens of the City of Lockhart depends upon our actions to end sexual assault; and

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

April 2026

as

"SEXUAL ASSAULT AWARENESS & PREVENTION MONTH"

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused to be affixed the Seal of Lockhart, Texas, this 21st day of April, 2026.

CITY OF LOCKHART

_____

Lew White
Mayor

ATTEST:

_____

Julie Bowermon
City Secretary

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: April 21, 2026

AGENDA ITEM CAPTION: Presentation and discussion of the City of Lockhart and the Lockhart Economic Development Corporation's Fiscal Year 2024-25 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 fifth and last year for BrooksWatson & Company, PLLC to perform the City's annual audit.

BrooksWatson & Company, PLLC has issued an **unmodified (clean)** opinion. An unmodified 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 2025 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 six consecutive years. The current Annual Comprehensive Financial Report for FYE 2025 will be submitted to the GFOA to determine eligibility for another certificate.

PROJECT SCHEDULE (if applicable):

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

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

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 2024-2025 Annual Comprehensive Financial Report.

LIST OF SUPPORTING DOCUMENTS: Final Audit 9.30.25

CITY OF LOCKHART, TX

2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2025


Lockhart
TEXAS

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

of the

City of Lockhart, Texas

For the Year Ended
September 30, 2025

Prepared by

Finance Department


Lockhart
TEXAS

City of Lockhart, Texas

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September 30, 2025

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Lockhart
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INTRODUCTORY SECTION

Lockhart

March 17, 2026

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, 2025, 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, 2025. 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 18,591, 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 18,591 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 18,591 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 790 teachers, professionals, and support staff.

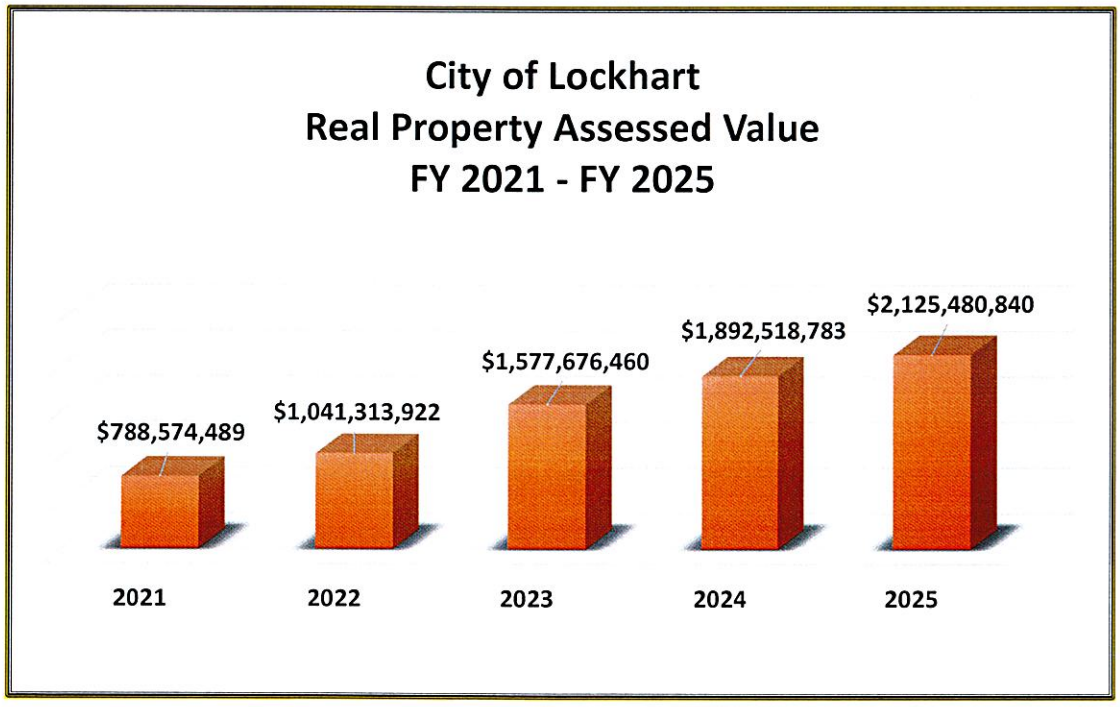
In 2020, the COVID-19 pandemic created an unprecedented situation for the City of Lockhart and for every municipality across the United States, but with it brought the passage of the Coronavirus Aid, Relief and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations 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 to be used for further economic relief from the COVID-19

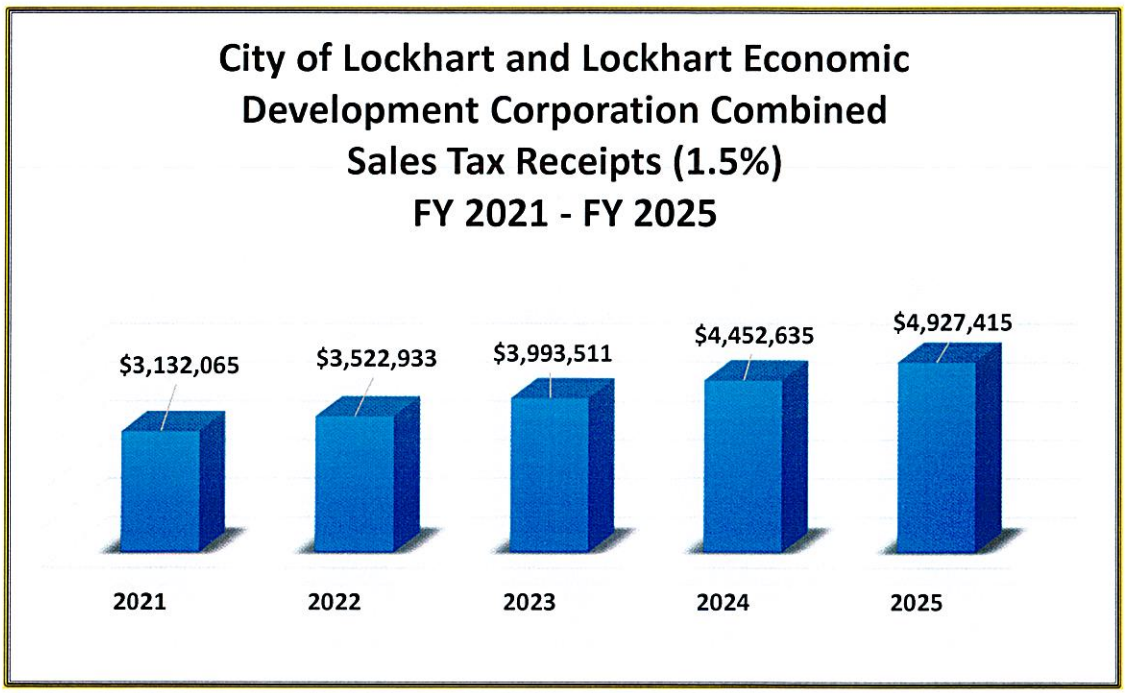
pandemic. The broad eligible uses for ARPA funds include COVID-related expenses (directly or indirectly), premium pay for essential workers, government service programs under certain circumstances, necessary improvements in water, sewer, or broadband infrastructure (whether related or not to COVID-19), 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. The City Council formally obligated the remaining ARPA funds in December 2024 to various projects associated with Animal Services, Library, Fire, Parks & Recreation, Police, and Public Works. The City must expend all remaining funds by December 31, 2026.

Due to the stable economy, the City of Lockhart has a credit rating of AA- from Standard and Poor's as of July 2025. Over the past 10 years, the City has experienced significant economic growth and investment. The City's population is growing at a steady rate, increasing at 29.3% over the last five years. The growth of Austin and San Antonio metro areas is spreading toward Lockhart but at a slower pace than neighboring counties.

The City experienced consistent growth in real property assessment values from Fiscal Year 2021 through 2025 (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 2025 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 the general fund balance at 36% for Fiscal Year 2025. This is above the 25% minimum reserve required by the Fund Balance – Stabilization and Excess of Reserves Policy. The City of Lockhart's maintains a sound financial position due to conservative budgeting practices and internal expenditure controls, 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 consistent 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. The Financial Policy is

also approved by the City Council which provides more comprehensive guidelines and internal accounting controls and procedures. The annual adoption of these policies 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 started construction on the approved historic downtown revitalization project with an anticipated completion date in Fiscal Year 2026. The City issued Certificates of Obligation in the amount of $20,000,000 to fund various capital projects including: design and construction of the new aquatics facility, acquisition and renovation of an indoor recreation center, upgrades to the existing City Hall, land acquisition for a future police and/or fire facilities, and other improvements to existing City parks. In addition, the improvements to wastewater utility lines and street and sidewalk improvements also continued through the fiscal year.

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, 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 (ACFR) for the fiscal year ended September 30, 2024. 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. This is the sixth year in a row which the City has received this award. We ensure that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting the ACFR for fiscal year ended September 30, 2025 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 not have been possible without the skill, effort, and dedication of the administrative staff and the finance department. 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,

Joseph Resendez, City Manager

Keeli Michna, Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lockhart
Texas

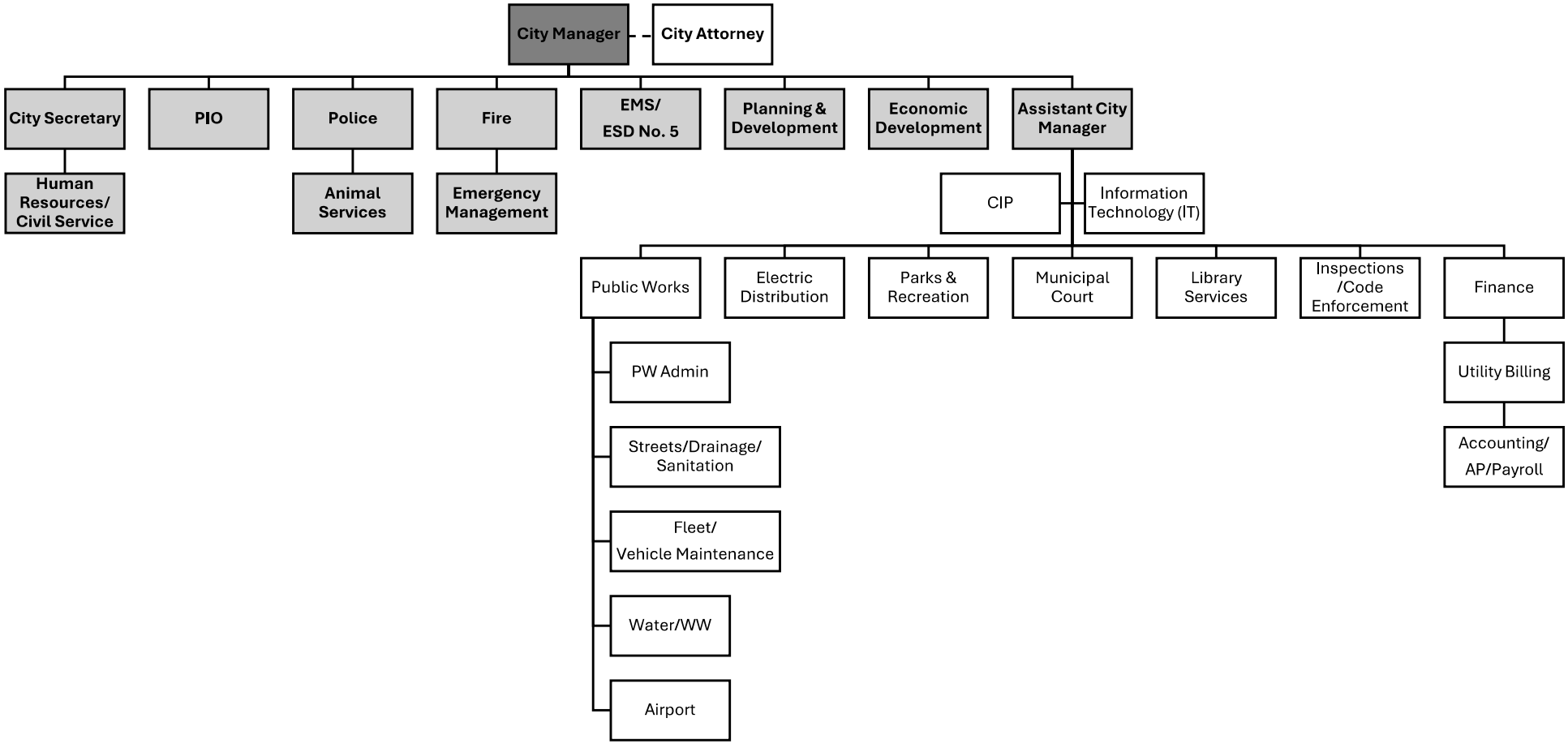
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

City of Lockhart
Organizational Chart



City of Lockhart, Texas

ELECTED AND PRINCIPAL OFFICIALS

September 30, 2025

City Council

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

Principal Officials

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


Lockhart
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FINANCIAL SECTION


Lockhart
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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, 2025, and the related notes to the financial statements, 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, 2025, 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). 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, the City restated beginning net position for the business-type activities and EMS fund to correct prior year accounting errors. In addition, the City restated beginning net position for governmental activities due to the implementation of GASB 101-Compensated Absences. Our opinion was not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

BrooksWatson & Co.

BrooksWatson & Co.
Certified Public Accountants
Houston, Texas
March 17, 2026


Lockhart
TEXAS

City of Lockhart, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2025

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, 2025. 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, 2025 by $71,828,755. Of this amount, $9,458,366 (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 $2,231,199. Approximately 61% 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 $37,128,521 at September 30, 2025, an increase of $14,882,821 from the prior fiscal year; this includes a decrease of $5,497,038 in the general fund, an increase of $20,002,853 in the 2025 CO fund, and an increase of $377,006 in the nonmajor governmental funds.

- At the end of the fiscal year, unassigned fund balance for the general fund was $6,843,781 or 30% 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 details to support the basic financial statements themselves.

Government-Wide Statements

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

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

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

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

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate component unit, the Lockhart Economic Development Corporation, of 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.*

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 and 2025 CO fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The City adopts an annual appropriated budget for its general and debt service 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 53-103 of this report.

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Lockhart, Texas, assets and deferred outflows exceeded liabilities and deferred inflows by $71,828,755 as of September 30, 2025, in the primary government.

A portion of the City's net position, $43,972,261 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 $18,398,128 represents resources that are subject to external restrictions on how they may be used. The remaining balance of $9,458,366 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

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

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2025			2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 40,334,455	$ 22,001,344	$ 62,335,799	$ 24,274,785	$ 24,844,338	$ 49,119,123
Capital assets, net	33,616,666	67,247,447	100,864,113	27,585,771	65,094,607	92,680,378
Total Assets	73,951,121	89,248,791	163,199,912	51,860,556	89,938,945	141,799,501
Deferred Outflows of	1,057,019	321,187	1,378,206	1,381,277	641,125	2,022,402
Other liabilities	3,321,743	4,970,268	8,292,011	1,778,647	3,759,228	5,537,875
Long-term liabilities	33,464,554	50,317,728	83,782,282	14,731,018	53,257,447	67,988,465
Total Liabilities	36,786,297	55,287,996	92,074,293	16,509,665	57,016,675	73,526,340
Deferred Inflows of Resources	484,363	190,707	675,070	313,732	216,818	530,550
Net Position:						
Net investment in capital assets	24,274,707	19,697,554	43,972,261	18,662,311	18,379,583	37,041,894
Restricted	8,857,884	9,540,244	18,398,128	7,465,102	8,202,139	15,667,241
Unrestricted	4,604,889	4,853,477	9,458,366	10,291,023	6,764,855	17,055,878
Total Net Position	$ 37,737,480	$ 34,091,275	$ 71,828,755	$ 36,418,436	$ 33,346,577	$ 69,765,013

Current and other assets of the governmental activities increased by $16,059,670, or 66%, primarily due to greater cash on hand resulting proceeds received from new debt issuance in the current year. Current and other assets of the business-type activities decreased by $2,842,994, or 11%, primarily due to less cash on hand resulting from capital improvement expenditures exceeding revenues during the year. Capital assets for the primary government increased $8,183,735, or 9%, due to capital improvements during the year. Other liabilities for the primary government increased $2,754,136, or 50%, primarily attributable to greater payables due at the end of the current year and timing of payments. Long-term liabilities for governmental activities increased by $18,733,536, or over 100%, which is primarily related to debt issuances in the current year. Long-term liabilities for business-type activities decreased by $2,939,719, or 6%, primarily due to principal payments made towards debt in the current year. Total deferred outflows of the primary government decreased and total deferred inflows of the primary government increased by $644,196 and $144,520, respectively. These changes are strictly due to actuarial changes in the City's pension inputs over the course of the year.

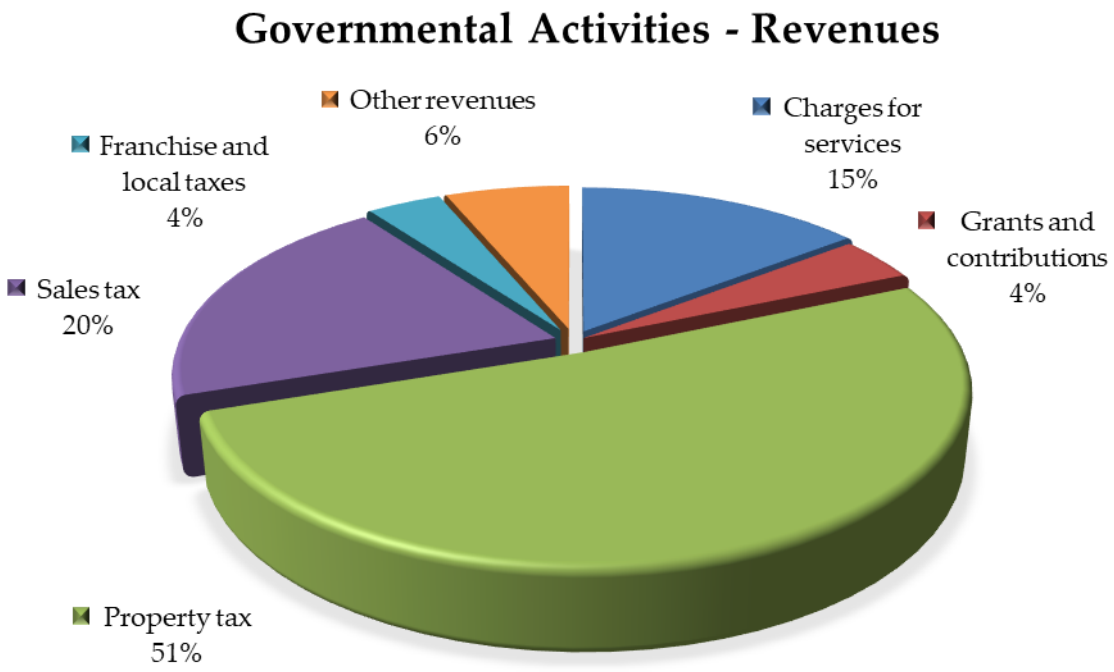
Statement of Activities:

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

	For the Year Ended September 30, 2025			For the Year Ended September 30, 2024		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	$ 2,381,935	$ 29,148,395	$ 31,530,330	$ 3,749,190	$ 27,803,120	$ 31,552,310
Operating grants	532,505	-	532,505	475,639	-	475,639
Capital contributions	128,235	462,408	590,643	171,997	53,111	225,108
General revenues:						
Property tax	8,390,241	-	8,390,241	7,610,224	-	7,610,224
Sales tax	3,284,944	-	3,284,944	3,009,942	-	3,009,942
Franchise & local taxes	616,953	-	616,953	625,958	-	625,958
Investment income	937,800	1,000,060	1,937,860	1,083,776	1,131,268	2,215,044
Other revenues	93,911	112,688	206,599	86,124	106,454	192,578
Total Revenues	16,366,524	30,723,551	47,090,075	16,812,850	29,093,953	45,906,803
Expenses						
General government	2,945,892	-	2,945,892	2,383,519	-	2,383,519
Public safety	8,309,527	-	8,309,527	6,628,423	-	6,628,423
Public works	4,018,383	-	4,018,383	2,826,765	-	2,826,765
Health and welfare	38,098	-	38,098	42,956	-	42,956
Culture and recreation	1,727,577	-	1,727,577	1,632,347	-	1,632,347
Comm. development	1,257,404	-	1,257,404	1,963,799	-	1,963,799
Interest on long-term debt	745,842	1,429,409	2,175,251	348,098	1,442,071	1,790,169
Electric	-	12,559,940	12,559,940	-	11,150,785	11,150,785
Water	-	6,904,661	6,904,661	-	5,626,174	5,626,174
Wastewater	-	2,075,377	2,075,377	-	1,667,732	1,667,732
Nonmajor enterprise	-	2,846,766	2,846,766	-	4,433,842	4,433,842
Total Expenses	19,042,723	25,816,153	44,858,876	15,825,907	24,320,604	40,146,511
Change in Net Position Before Transfers	(2,676,199)	4,907,398	2,231,199	986,943	4,773,349	5,760,292
Transfers	4,162,700	(4,162,700)	-	4,044,759	(4,044,759)	-
Total	4,162,700	(4,162,700)	-	4,044,759	(4,044,759)	-
Change in Net Position	1,486,501	744,698	2,231,199	5,031,702	728,590	5,760,292
Beginning Net Position (restated)	* 36,250,979	33,346,577	* 69,597,556	31,386,734	32,617,987	64,004,721
Ending Net Position	$ 37,737,480	$ 34,091,275	$ 71,828,755	$ 36,418,436	$ 33,346,577	$ 69,765,013

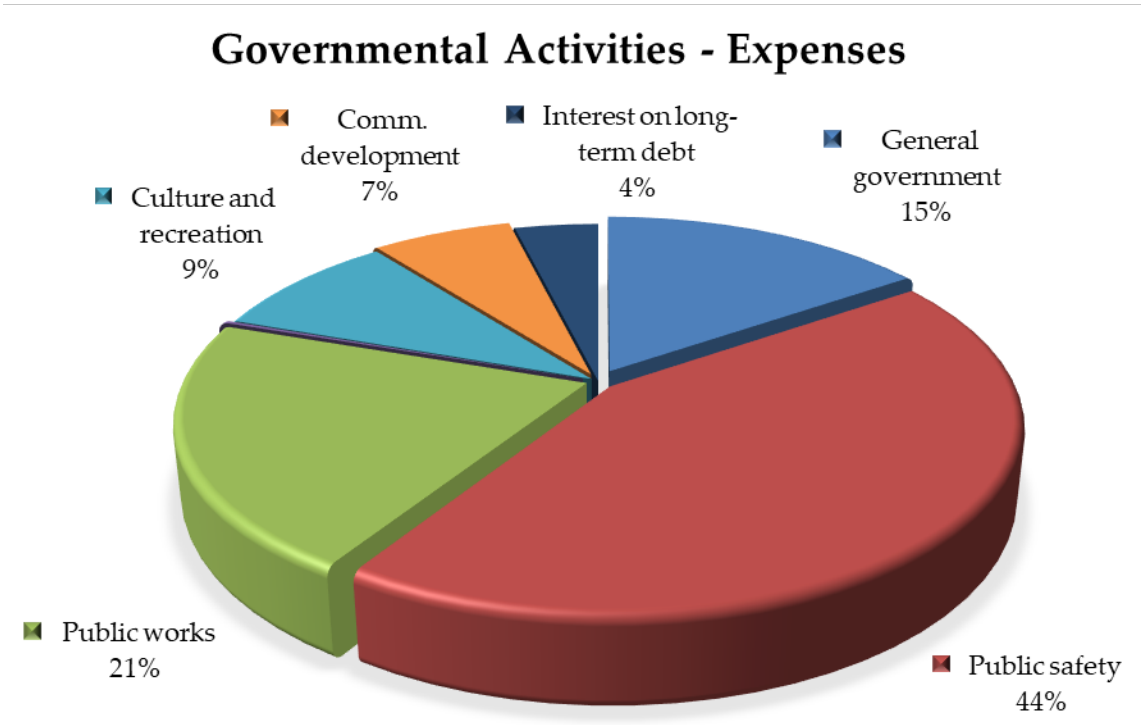
* Includes restatement for New Acct. Standard GASB 101

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



For the year ended September 30, 2025, revenues from governmental activities totaled $16,366,524. Property tax, charges for services, and sales tax are the City's largest general revenue sources. Overall revenue decreased $446,326, or 3%, from the prior year. Charges for services decreased by $1,367,255, or 36%, due to a decline in building and zoning permit revenue, resulting from the completion of two subdivisions in the prior year. Property taxes increased by $780,017, or 10%, primarily due to greater appraised values and an increase in property tax rates. Sales taxes increased by $275,002, or 9%, due to economic growth fueled by local purchases. Investment income decreased by $145,976, or 13%, primarily due to the realization of lower interest rates during the year. All other revenues remained relatively stable when compared to the previous year.

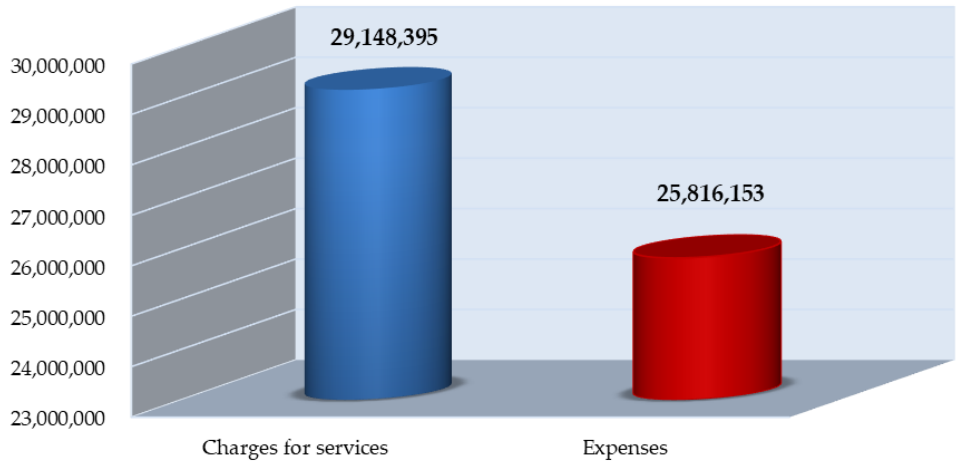
This graph shows the governmental function expenses of the City:



For the year ended September 30, 2025, expenses for governmental activities totaled $19,042,723. This represents an increase of $3,216,816, or 20%, from the prior year. The City's largest functional expense is public safety totaling $8,309,527. Public safety increased $1,681,104, or 25%, due to greater personnel costs resulting from vacancies being filled in the current year, greater architectural/engineering expense, and nonrecurring changes in the City's pension valuation inputs in the current year. General government expenses increased by $562,373, or 24%, primarily due to greater personnel costs related to a full year's salary and benefits being paid in the current year to the Public Information Officer and Finance Director that was hired late in the prior year. In addition, there were greater downtown promotion expenses and architectural/engineering costs in the current year. Public works expenses increased $1,191,618, or 42%, primarily due to nonrecurring TXDOT grant related expenses. Culture and recreation expenses increased by $95,230, or 6%, primarily due to greater personnel costs due to new hires and market retention adjustments and nonrecurring employee benefit costs resulting from changes in the City's pension valuation inputs in the current year. Community development expenses decreased by $706,395, or 36%, due primarily to outsourcing building and health inspection services in the current year. Interest and fiscal charges increased by $397,744, or over 100%, primarily due to nonrecurring bond issuance costs in the current year. All other governmental activities expenses remained relatively consistent with the prior year.

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

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2025, charges for services by business-type activities totaled $29,148,395. This represents an increase of $1,345,275, or 5%, from the previous year, which is a direct result of greater water service rates and increased utility service consumption in the current year. Capital contributions increased by $409,297, or over 100%, as a result of nonrecurring capital grant contributions received in the current year. Investment income decreased $131,208, or 12%, due to the realization of lower interest rates during the year. All other revenues remained relatively consistent with the prior year.

Total business-type activity expenses increased by $1,495,549, or 6%, to a total of $25,816,153. Electric expenses totaled $12,559,940, while water and wastewater operations totaled $6,904,661 and $2,075,377, respectively. Electric expenses increased $1,409,155, or 13%, due to greater personnel costs, resulting from filling prior year vacancies in the current year. In addition, greater demand consumption resulted in higher wholesale power costs and credit card usage fees. Water expenses increased by $1,278,487, or 23%, due to higher consumption and related treatment plant and GBRA costs. Wastewater expenses increased by $407,645, or 24%, due to greater personnel costs, resulting from filling prior year vacancies in the current year. In addition, higher consumption resulted in greater treatment plant costs. Nonmajor enterprise expenses decreased by $1,587,076, or 36%, primarily due to the sale of EMS services to Caldwell County at the end of January 2025.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds - The focus of the City's governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the

City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

At September 30, 2025, the City's governmental funds reported combined fund balances of $37,128,521, an increase of $14,882,821 in comparison with the prior year. Approximately 18% of this amount, $6,653,293, 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 $95,894 2) committed for particular purposes $366,675 or 3) restricted for particular purposes $30,012,659.

As of the end of the year the general fund reflected a total fund balance of $8,929,057. Of this, $438,280 is considered not in spendable form and committed. Restricted fund balance totaled $1,646,996 and $6,843,781 is unassigned. General fund balance decreased by $5,497,038 during the current year as compared to a final budgeted increase of $69,794. The decrease in fund balance was primarily a result of higher than expected capital expenditures and public works expenses.

As a measure of the general fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of $6,843,781 is 30% of total general fund expenditures. Overall revenue in the general fund decreased by $190,847 when compared to the prior year. Property tax, sales tax, and charges for services showed the largest increase due to a growing local economy, greater appraisal values, and an increase in the property tax rates. General fund expenditures increased by $7,448,148 when compared to the prior year. The largest increases were in public works and capital outlay of $3,236,066, and $2,979,583, respectively.

As of the end of the year the 2025 CO fund reflected a total fund balance of $20,002,853. This fund was added in fiscal year 2025. The increase is a direct result of bond issuance proceeds recognized in the current year. There have been no expenditures recorded 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 $4,853,477, a decrease of $1,911,378 from the previous year. Total investment in capital assets, net of related debt was $19,697,554, and capital assets, net of depreciation totaled $67,206,994.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total budgeted revenues of $11,551,015 were less than actual revenues of $12,278,437, resulting in a total positive revenue variance of $727,422. All actual revenues were greater than the budgeted amounts, with the exception of franchise and local taxes, intergovernmental and license and permits.

Total budgeted expenditures of $15,901,212, were less than actual expenditures of $22,503,763, resulting in a total negative expenditure variance of $6,602,551. Actual expenditures for the current year

exceeded appropriations at the legal level of control by $6,595,998, including transfers out. No budget amendments were made during the year.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested $33,616,666 in a variety of capital assets and infrastructure, net of accumulated depreciation. The City's business-type activities funds had invested $67,206,994 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, park improvements, and infrastructure.

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

- Purchased land at 120 W MLK Jr Industrial Blvd for $236,483
- Purchased building at 120 W MLK Jr Industrial Blvd for $1,503,430.
- Purchased Dell Powerstore 500T with touchscreen for city wide IT storage totaling $92,850.
- Concrete slab at fire station for $29,400.
- Purchased two 2024 Ford F150 police vehicles totaling $108,562.
- Purchased two 2025 Ford Explorer police vehicles totaling $110,180.
- Purchased laptops and mobile radio units for police totaling $188,963.
- Purchased Fire Apparatus Spartan Truck for $1,229,670.
- Purchased a 2025 Ford F-550 Super Cab 4x4 police vehicle for $59,840.
- Purchased SCBA fill station with SCBA cylinders for $23,125.
- Purchased two 2025 Ford F-250 for parks totaling $100,905.
- Purchased four police vehicles totaling $289,771 through lease financing.
- Continued Lockhart Downtown revitalization for $3,900,737.
- Continued Fire Station 1 project for $129,308.
- Continued animal shelter upgrade project for $96,207.
- Began Aquatics Center project for $143,999.
- Purchased five electrical easements totaling $159,516.
- Continued LK 30 Ash St. copper replacement for $324,001.
- Began Project 7 – electric system improvements totaling $67,500.
- Continued CF 100 Clear Fork copper replacement for $83,705.
- County Wide Alley project electric utility for $150,000.
- Terex Hi-Ranger bucket truck for electric utility for $271,154.
- DTK 300 (ES-12) with Kubota D1105 engine for electric utility for $49,000.
- Purchased four water easements totaling $113,371.
- Continued water meter replacement project for $224,240.
- Continued Lockhart Downtown revitalization utility project for $3,740,328.
- Began Lockhart COG-MOD waterline engineering for $68,480.
- Purchased six wastewater easements totaling $151,928.

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, increased by $16,711,129 from the prior year. The total bonds, leases and certificates of obligation payable at the close of the fiscal year was $79,110,680, 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 57% since 2021 and property tax revenue has increased by 45%. Even with the 57% increase, the City continues to forecast sales tax in a conservative position. The total sales tax payments received in 2025 fiscal year equaled $4,927,415. The City anticipates a continued increase for 2026.

Property valuations have increased due to new additions and property on the tax roll, along with the appraisal district reassessing valuations. The certified assessed taxable property valuations for the 2026 fiscal year (2025 tax roll) total $1,659,352,251 with a tax rate of $0.4113 per $100 valuation for maintenance and operations and $0.1428 per $100 valuation for the interest and sinking fund. The total tax rate of $0.5541.

The City's capital plan for 2025-2026 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, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 34,554,898	$ 19,909,714	$ 54,464,612
Receivables, net	1,625,698	5,336,629	6,962,327
Lease receivable, current	-	21,830	21,830
Internal balances	3,978,745	(3,978,745)	-
Due from component unit	79,220	-	79,220
Inventories	13,998	711,916	725,914
Prepaid and other assets	81,896	-	81,896
Total Current Assets	40,334,455	22,001,344	62,335,799
Noncurrent assets:			
Lease receivable, noncurrent	-	40,453	40,453
Capital assets:			
Non-depreciable	7,415,559	5,881,504	13,297,063
Net depreciable capital assets	26,201,107	61,325,490	87,526,597
Total Noncurrent Assets	33,616,666	67,247,447	100,864,113
Total Assets	73,951,121	89,248,791	163,199,912
Deferred Outflows of Resources			
Pension outflows-TMRS	948,796	251,562	1,200,358
OPEB outflows-TMRS	14,454	3,833	18,287
Deferred charge on refunding	93,769	65,792	159,561
Total Deferred Outflows of Resources	1,057,019	321,187	1,378,206

	Component Unit
	Lockhart EDC
$	8,496,020
	263,968
	-
	-
	-
	-
	10,364
	8,770,352
	-
	1,049,431
	4,212,886
	5,262,317
	14,032,669
	19,643
	299
	-
	19,942

City of Lockhart, Texas

STATEMENT OF NET POSITION (Page 2 of 2)

September 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Accounts payable	$ 1,568,432	$ 3,190,552	$ 4,758,984
Accrued liabilities	732,724	206,688	939,412
Due to primary government	-	-	-
Due to other governments	41,037	-	41,037
Customer deposits	-	766,176	766,176
Compensated absences, current	783,340	143,249	926,589
Accrued interest payable	196,210	663,603	859,813
Long-term debt due in one year	1,649,355	2,303,426	3,952,781
Total Current Liabilities	4,971,098	7,273,694	12,244,792
Noncurrent liabilities:			
Net pension liability	2,980,090	790,134	3,770,224
OPEB liability-TMRS	356,269	94,464	450,733
OPEB liability-Retiree healthcare	274,824	72,866	347,690
Compensated absences	87,038	15,917	102,955
Long-term debt due in more than one year	28,116,978	47,040,921	75,157,899
Total Noncurrent Liabilities	31,815,199	48,014,302	79,829,501
Total Liabilities	36,786,297	55,287,996	92,074,293
Deferred Inflows of Resources			
Pension inflows	395,710	104,917	500,627
OPEB inflows-TMRS	65,063	17,252	82,315
OPEB inflows-Retiree Healthcare	23,590	6,255	29,845
Deferred inflows -lease related	-	62,283	62,283
Total Deferred Inflows of Resources	484,363	190,707	675,070
Net Position			
Net investment in capital assets	24,274,707	19,697,554	43,972,261
Restricted for:			
General government	679,019	-	679,019
Public safety	25,392	-	25,392
Municipal court	181,650	-	181,650
Tourism	87,496	-	87,496
Capital projects	6,119,415	9,540,244	15,659,659
Debt service	1,764,912	-	1,764,912
Economic development	-	-	-
Unrestricted	4,604,889	4,853,477	9,458,366
Total Net Position	$ 37,737,480	$ 34,091,275	$ 71,828,755

See Notes to Financial Statements.

Component Unit
Lockhart EDC
$ 1,275,111
-
79,220
-
-
3,021
8,708
117,172
1,483,232
61,697
7,376
-
336
1,123,943
1,193,352
2,676,584
8,193
1,347
-
-
9,540
4,021,202
-
-
-
-
-
-
7,345,285
-
$ 11,366,487

City of Lockhart, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	$ 2,945,892	$ -	$ 138,662	$ -
Public safety	8,309,527	428,207	393,843	128,235
Public works	4,018,383	758,836	-	-
Health and welfare	38,098	-	-	-
Culture and recreation	1,727,577	130,306	-	-
Community development	1,257,404	1,064,586	-	-
Interest on long-term debt	745,842	-	-	-
Total Governmental Activities	19,042,723	2,381,935	532,505	128,235
Business-Type Activities				
Electric	12,559,940	14,062,850	-	-
Water	6,904,661	8,146,651	-	438,511
Wastewater	2,075,377	4,191,724	-	-
* Nonmajor enterprise	2,846,766	2,747,170	-	23,897
Interest on long-term debt	1,429,409	-	-	-
Total Business-Type Activities	25,816,153	29,148,395	-	462,408
Total Primary Government	$ 44,858,876	$ 31,530,330	$ 532,505	$ 590,643
Component Units				
Lockhart EDC	1,891,621	-	-	-
Total Component Units	$ 1,891,621	$ -	$ -	$ -

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, as previously reported	
New Acct. Standard - GASB 101	
Error correction	
Beginning Net Position, as adjusted	
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
$ (2,807,230)	$ -	$ (2,807,230)	$ -
(7,359,242)	-	(7,359,242)	-
(3,259,547)	-	(3,259,547)	-
(38,098)	-	(38,098)	-
(1,597,271)	-	(1,597,271)	-
(192,818)	-	(192,818)	-
(745,842)	-	(745,842)	-
(16,000,048)	-	(16,000,048)	-
-	1,502,910	1,502,910	-
-	1,680,501	1,680,501	-
-	2,116,347	2,116,347	-
-	(75,699)	(75,699)	-
-	(1,429,409)	(1,429,409)	-
-	3,794,650	3,794,650	-
(16,000,048)	3,794,650	(12,205,398)	-
			(1,891,621)
			(1,891,621)
8,390,241	-	8,390,241	-
3,284,944	-	3,284,944	1,642,472
616,953	-	616,953	-
937,800	1,000,060	1,937,860	314,177
201	-	201	-
93,710	112,688	206,398	10,100
4,162,700	(4,162,700)	-	-
17,486,549	(3,049,952)	14,436,597	1,966,749
1,486,501	744,698	2,231,199	75,128
36,418,436	33,404,189	69,822,625	11,291,359
(167,457)		(167,457)	-
-	(57,612)	(57,612)	-
36,250,979	33,346,577	69,597,556	11,291,359
$ 37,737,480	$ 34,091,275	$ 71,828,755	$ 11,366,487

City of Lockhart, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2025

	General	2025 CO's	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 5,991,250	$ 20,002,853	$ 8,560,795	$ 34,554,898
Accounts receivable, net	1,282,642	-	343,056	1,625,698
Due from other funds	4,216,873	-	-	4,216,873
Due fom component unit	79,220	-	-	79,220
Inventories	13,998	-	-	13,998
Prepaids	57,607	-	24,289	81,896
Total Assets	$ 11,641,590	$ 20,002,853	$ 8,928,140	$ 40,572,583
Liabilities				
Accounts payable	$ 1,266,042	$ -	$ 302,390	$ 1,568,432
Accrued liabilities	692,171	-	40,553	732,724
Due to other governments	41,037	-	-	41,037
Due to other funds	-	-	238,128	238,128
Total Liabilities	1,999,250	-	581,071	2,580,321
Deferred Inflows of Resources				
Unavailable revenue - property taxes	500,852	-	141,979	642,831
Unavailable revenue-fines	186,039	-	8,479	194,518
Unavailable revenue - notes receivable	26,392	-	-	26,392
Total Deferred Inflows of Resources	713,283	-	150,458	863,741
Fund Balances				
Nonspendable:				
Inventories	13,998	-	-	13,998
Prepaid items	57,607	-	24,289	81,896
Committed for:				
Sidewalks	62,266	-	-	62,266
Industrial park	304,409	-	-	304,409
Restricted for:				
Debt service	-		1,764,912	1,764,912
General government	583,330	-	95,689	679,019
Public safety	-	-	25,392	25,392
Municipal court	-	-	181,650	181,650
Tourism	-	-	87,496	87,496
Capital projects	1,063,666	20,002,853	6,207,671	27,274,190
Unassigned	6,843,781	-	(190,488)	6,653,293
Total Fund Balances	8,929,057	20,002,853	8,196,611	37,128,521
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 11,641,590	$ 20,002,853	$ 8,928,140	$ 40,572,583

See Notes to Financial Statements.

City of Lockhart, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
September 30, 2025

Fund Balances - Total Governmental Funds	$	37,128,521
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		7,415,559
Capital assets - net depreciable		26,201,107
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
Property tax		642,831
Fines and fees		194,518
Other receivables		26,392
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 (revenues) until that time		
Pension inflows		(395,710)
OPEB inflows-TMRS		(65,063)
OPEB inflows-Retiree Healthcare		(23,590)
Deferred outflows of resources, represent a consumption of net assets that applies to a future period(s) and is not recognized as an outflow of resources (expense/ expenditures) until then		
Pension outflows		948,796
OPEB outflows-TMRS		14,454
Deferred charge on refunding		93,769
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.		
Accrued interest		(196,210)
Deferred charges:		
Bond premium		(1,602,589)
Net pension liability		(2,980,090)
OPEB liability-TMRS		(356,269)
OPEB liability-Retiree healthcare		(274,824)
Compensated absences		(870,378)
Non-current liabilities due in one year		(1,649,355)
Non-current liabilities due in more than one year		(26,514,389)
Net Position of Governmental Activities	$	37,737,480

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, 2025

	General	2025 CO's	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property tax	$ 6,279,835	$ -	$ 2,160,480	$ 8,440,315
Sales tax	3,284,944	-	-	3,284,944
Franchise and local taxes	396,051	-	220,902	616,953
Fines and forfeitures	308,495	-	32,718	341,213
License and permits	695,752	-	368,834	1,064,586
Charges for services	130,306	-	758,836	889,142
Intergovernmental	503,642	-	157,098	660,740
Investment income	585,702	-	352,098	937,800
Other revenue	93,710	-	-	93,710
Total Revenues	12,278,437	-	4,050,966	16,329,403
Expenditures				
Current:				
General government	2,511,288	-	303,532	2,814,820
Public safety	8,229,238	-	246,188	8,475,426
Public works	5,552,959	-	2,687	5,555,646
Health and welfare	28,920	-	-	28,920
Culture and recreation	1,678,071	-	1,262	1,679,333
Community development	1,238,878	-	-	1,238,878
Debt Service:				
Principal	245,900	-	1,332,622	1,578,522
Interest and fiscal charges	38,926	-	332,560	371,486
Bond issuance costs	-	278,056	-	278,056
Capital outlay	2,979,583	-	1,210,076	4,189,659
Total Expenditures	22,503,763	278,056	3,428,927	26,210,746
Revenues Over (Under) Expenditures	(10,225,326)	(278,056)	622,039	(9,881,343)
Other Financing Sources (Uses)				
Bond issuance	-	18,955,000	-	18,955,000
Bond premium	-	1,325,909	-	1,325,909
Lease issuance	320,354	-	-	320,354
Sale of capital assets	201	-	-	201
Transfers in	4,466,180	-	437,110	4,903,290
Transfers (out)	(58,447)	-	(682,143)	(740,590)
Total Other Financing Sources	4,728,288	20,280,909	(245,033)	24,764,164
Net Change in Fund Balances	(5,497,038)	20,002,853	377,006	14,882,821
Beg. fund balances	14,426,095	-	7,819,605	22,245,700
Ending Fund Balances	$ 8,929,057	$ 20,002,853	$ 8,196,611	$ 37,128,521

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, 2025

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

Net changes in fund balances - total governmental funds	$	14,882,821
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		8,362,466
Depreciation expense		(2,331,571)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property tax		(50,074)
Fines and fees		86,994
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		(125,069)
Accrued interest		(139,894)
Pension expense		(191,000)
OPEB expense-TMRS		(39,584)
OPEB expense-retiree healthcare		10,559
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.		
Debt issuance		(18,955,000)
Debt premium		(1,325,909)
Lease issuance		(320,354)
Amortization of deferred charge on refunding		(23,442)
Amortization of premium		67,036
Principal payments		1,578,522
Change in Net Position of Governmental Activities	$	1,486,501

See Notes to Financial Statements.

City of Lockhart, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUNDS (Page 1 of 2)

September 30, 2025

	Business-Type Activities		
	Electric	**Water**	**Wastewater**
Assets			
Current Assets			
Cash and cash equivalents	$ 3,480,320	$ 6,850,583	$ 8,280,474
Accounts receivable, net	2,835,794	1,437,336	651,538
Lease recivable	-	21,830	-
Due from other funds	-	-	400,251
Inventories	711,916	-	-
Total Current Assets	7,028,030	8,309,749	9,332,263
Noncurrent Assets			
Lease receivable	-	40,453	-
Capital assets:			
Non-depreciable	696,449	4,498,573	493,912
Net depreciable capital assets	5,913,963	47,460,210	6,848,881
Total Noncurrent Assets	6,610,412	51,999,236	7,342,793
Total Assets	13,638,442	60,308,985	16,675,056
Deferred Outflows of Resources			
Pension outflows-TMRS	154,257	38,861	34,395
OPEB outflows-TMRS	2,350	592	524
Deferred loss on refunding	-	57,035	8,757
Total Deferred Outflows of Resources	156,607	96,488	43,676

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
$ 1,298,337	$ 19,909,714
411,961	5,336,629
-	21,830
-	400,251
-	711,916
1,710,298	26,380,340
-	40,453
192,570	5,881,504
1,102,436	61,325,490
1,295,006	67,247,447
3,005,304	93,627,787
24,049	251,562
367	3,833
-	65,792
24,416	321,187

City of Lockhart, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUNDS (Page 2 of 2)

September 30, 2025

	Business-Type Activities		
	Electric	**Water**	**Wastewater**
Liabilities			
Current Liabilities			
Accounts payable	$ 1,262,753	$ 1,571,871	$ 190,988
Accrued liabilities	177,043	-	18,668
Customer deposits	526,540	234,536	-
Compensated absences, current	61,554	44,041	17,610
Lease liabilities, current	9,125	6,642	6,651
Long-term debt, current	117,874	1,842,134	317,594
Due to other funds	2,754,165	1,609,537	15,294
Accrued interest	5,504	650,746	7,353
Total Current Liabilities	4,914,558	5,959,507	574,158
Noncurrent Liabilities			
Compensated absences, noncurrent	6,839	4,893	1,957
Long-term debt, noncurrent	632,556	44,809,807	1,598,558
Net pension liability	484,511	122,057	108,030
OPEB liability-TMRS	57,923	14,592	12,915
OPEB liability-retiree healthcare	44,681	11,256	9,963
Total Noncurrent Liabilities	1,226,510	44,962,605	1,731,423
Total Liabilities	6,141,068	50,922,112	2,305,581
Deferred Inflows of Resources			
Pension inflows-TMRS	64,335	16,208	14,345
OPEB inflows-TMRS	10,578	2,665	2,359
OPEB inflows-retiree healthcare	3,836	966	855
Deferred inflows -lease related	-	62,283	-
Total Deferred Inflows of Resources	78,749	82,122	17,559
Net Position			
Net investment in capital assets	5,850,862	7,244,430	5,310,662
Restricted for:			
Capital projects	167,997	4,690,826	4,681,421
Unrestricted	1,556,373	(2,534,017)	4,403,509
Total Net Position	$ 7,575,232	$ 9,401,239	$ 14,395,592

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
$ 164,940	$ 3,190,552
10,977	206,688
5,100	766,176
20,045	143,249
3,406	25,824
-	2,277,602
-	4,378,996
-	663,603
204,468	11,652,690
2,227	15,917
-	47,040,921
75,536	790,134
9,034	94,464
6,966	72,866
93,763	48,014,302
298,231	59,666,992
10,029	104,917
1,650	17,252
598	6,255
-	62,283
12,277	190,707
1,291,600	19,697,554
-	9,540,244
1,427,612	4,853,477
$ 2,719,212	$ 34,091,275

City of Lockhart, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2025

	Business-Type Activities		
	Electric	**Water**	**Wastewater**
Operating Revenues			
Charges for services	$ 14,062,850	$ 8,146,651	$ 4,191,724
Other revenue	8,019	-	15
Total Operating Revenues	14,070,869	8,146,651	4,191,739
Operating Expenses			
Personnel services	1,639,271	487,555	414,514
Supplies	102,095	48,329	108,198
Maintenance and repairs	168,640	641,822	60,968
Contractual services	461,042	2,610,659	69,537
Power, water, and water treatment	8,620,092	1,094,347	1,096,587
Non-departmental	-	-	61,660
Miscellaneous	1,025,654	5,408	-
Depreciation and amortization	543,146	2,016,541	263,913
Total Operating Expenses	12,559,940	6,904,661	2,075,377
Operating Income (Loss)	1,510,929	1,241,990	2,116,362
Nonoperating Revenues (Expenses)			
Gain(loss) on sale of assets	-	-	-
Investment earnings	147,777	396,822	400,221
Interest expense	(16,691)	(1,350,667)	(61,603)
Total Nonoperating Revenues (Expenses)	131,086	(953,845)	338,618
Income (Loss) Before Capital Contributions and Transfers	1,642,015	288,145	2,454,980
Capital Contributions and Transfers			
Capital grants	-	438,511	-
Transfers in	-	532,787	-
Transfers (out)	(2,390,930)	(298,136)	(1,534,912)
Total Capital Contributions and Transfers	(2,390,930)	673,162	(1,534,912)
Change in Net Position	(748,915)	961,307	920,068
Beg. net position, as previously presented	8,324,147	8,439,932	13,475,524
Error correction	-	-	-
Beg. net position, as adjusted	8,324,147	8,439,932	13,475,524
Ending Net Position	$ 7,575,232	$ 9,401,239	$ 14,395,592

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
$ 2,747,170	$ 29,148,395
104,654	112,688
2,851,824	29,261,083
436,729	2,978,069
10,057	268,679
2,008,139	2,879,569
106,251	3,247,489
-	10,811,026
-	61,660
10,117	1,041,179
105,732	2,929,332
2,677,025	24,217,003
174,799	5,044,080
(169,741)	(169,741)
55,240	1,000,060
(448)	(1,429,409)
(114,949)	(599,090)
59,850	4,444,990
23,897	462,408
-	532,787
(471,509)	(4,695,487)
(447,612)	(3,700,292)
(387,762)	744,698
3,164,586	33,404,189
(57,612)	(57,612)
3,106,974	33,346,577
$ 2,719,212	$ 34,091,275

City of Lockhart, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended September 30, 2025

	Business-Type Activities		
	Electric	**Water**	**Wastewater**
Cash Flows from Operating Activities			
Payments to employees	$ (1,605,206)	$ (454,015)	$ (373,083)
Payments to suppliers	(8,016,875)	(3,571,935)	(1,891,788)
Receipts from customers	13,592,575	7,634,493	4,035,773
Net Cash Provided (Used) by Operating Activities	3,970,494	3,608,543	1,770,902
Cash Flows from Noncapital Financing Activities			
Transfers in	-	532,787	-
Transfers (out)	(2,390,930)	(298,136)	(1,534,912)
Net Cash Provided (Used) by Noncapital Financing	(2,390,930)	234,651	(1,534,912)
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(1,172,016)	(3,692,874)	(165,243)
Sale of capital assets	-	-	-
Capital grants	-	438,511	-
Principal paid on capital debt	(135,822)	(1,803,601)	(321,286)
Interest paid on capital debt	(16,928)	(1,384,781)	(65,335)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,324,766)	(6,442,745)	(551,864)
Cash Flows from Investing Activities			
Interest on investments	147,777	396,822	400,221
Net Cash Provided by Investing Activities	147,777	396,822	400,221
Net Increase (Decrease) in Cash and Cash Equivalents	402,575	(2,202,729)	84,347
Beginning cash and cash equivalents	3,077,745	9,053,312	8,196,127
Ending Cash and Cash Equivalents	$ 3,480,320	$ 6,850,583	$ 8,280,474

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
$ (909,162)	$ (3,341,466)
(2,316,186)	(15,796,784)
3,618,619	28,881,460
393,271	9,743,210
-	532,787
(471,509)	(4,695,487)
(471,509)	(4,162,700)
-	(5,030,133)
341,018	341,018
23,897	462,408
(5,733)	(2,266,442)
(448)	(1,467,492)
358,734	(7,960,641)
55,240	1,000,060
55,240	1,000,060
335,736	(1,380,071)
962,601	21,289,785
$ 1,298,337	$ 19,909,714

City of Lockhart, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2025

	Business-Type Activities		
	Electric	**Water**	**Wastewater**
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	$ 1,510,929	$ 1,241,990	$ 2,116,362
Adjustments to reconcile operating income (loss) to net cash provided (used):			
Depreciation	543,146	2,016,541	263,913
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(412,794)	(569,021)	(155,966)
Inventory	(24,692)	-	-
Deferred outflows:			
Pension	53,071	16,787	759
OPEB	(1,002)	(230)	(295)
Increase (Decrease) in:			
Accounts payable and accrued liabilities	290,258	706,934	(144,838)
Accrued interest	-	-	-
Customer deposits	(65,500)	56,863	-
Compensated absences	5,575	34,290	9,400
Due to other funds	2,095,082	121,696	(350,000)
Deferred inflows:			
Pension	27,885	6,425	8,165
OPEB	(929)	(487)	613
Net pension liability	(55,492)	(22,884)	16,468
OPEB Liability	4,957	(361)	6,321
Net Cash Provided (Used) by Operating Activities	$ 3,970,494	$ 3,608,543	$ 1,770,902
Schedule of Non-Cash Capital and Related Financing Activities			
Lease issuance	$ 19,275	$ 14,485	$ 14,503
Capital related accounts payable	$ -	$ (266,048)	$ (223,146)

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
$ 174,799	$ 5,044,080
105,732	2,929,332
766,695	(371,086)
-	(24,692)
233,095	303,712
1,306	(221)
(123,078)	729,276
(10,013)	(10,013)
100	(8,537)
(12,164)	37,101
(48,531)	1,818,247
(35,179)	7,296
(11,628)	(12,431)
(594,218)	(656,126)
(53,645)	(42,728)
$ 393,271	$ 9,743,210
$ 5,863	$ 54,126
$ -	$ (489,194)

City of Lockhart, Texas

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

September 30, 2025

	Private Purpose Trusts	Custodial Funds
Assets		
Cash and cash equivalents	$ 653	$ 63,413
Prepaids	-	1,211
Total Assets	$ 653	$ 64,624
Liabilities		
Due to others	-	30,535
Total Liabilities	-	30,535
Net Position		
Restricted for various purposes:	$ 653	$ 34,089
Total Net Position	$ 653	$ 34,089

See Notes to Financial Statements.

City of Lockhart, Texas

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

For the Year Ended September 30, 2025

	Private Purpose Trusts	Custodial Funds
Additions		
Investment income	$ 30	$ 2,940
Other revenue	-	741
Total Additions	30	3,681
Net Change in Net Position	30	3,681
Beginning Net Position	623	30,408
Ending Net Position	$ 653	$ 34,089

See Notes to Financial Statements.

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Description of Government-Wide Financial Statements

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

B. Reporting Entity

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

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

Discretely Presented Component Unit

Lockhart Economic Development Corporation ("LEDC")

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

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

The LEDC meets the criteria of a discretely presented component unit and is presented as a governmental fund type. Complete financial statements for the Lockhart Economic Development Corporation may be obtained at City Hall. No other organizations met the necessary criteria for inclusion as component units for the year ended September 30, 2025.

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;

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.

2025 CO Fund

The 2025 CO fund is used to account for paying contractual obligations incurred in connection with improving, constructing, equipping, acquiring, or designing the City's: (1) parks and recreation facilities, to include an aquatics center, recreation center and improving Lions Park; (2) public safety facilities, including the acquisition of land for police and fire facilities; (3) existing administration building; and (4) the payment of professional services and bond issuances costs.

The government reports the following major enterprise funds:

Electric Fund

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

Water Fund

The water fund is used to account for the establishment and maintenance of water facilities within the municipal boundaries of the City. Activities of the fund include administration, operation and maintenance of the water system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt

principal and interest for water debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the funds.

Wastewater Fund

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

Additionally, the government reports the following fund types:

Debt Service Funds

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

Capital Project Funds

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

Special Revenue Funds

The City accounts for resources restricted to, or designated for, specific purposes in a special revenue fund. As of September 30, 2025, 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 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 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

2. Fair Value

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

3. Receivables and Interfund Transactions

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

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

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

4. Inventories and Prepaid Items

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

5. Restricted Assets

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

6. Capital Assets

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

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

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

Asset Description	Estimated Useful Life
Building and improvements	10 to 50 years
Machinery and equipment	5 to 10 years
Public domain infrastructure	10 to 40 years
Utility system infrastructure	30 to 50 years
Intangible assets	5 to 40 years
Right-to-use lease assets	3 to 7 years
Right-to-use SBITA assets	10 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 form the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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 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.

9. Pensions

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

10. Other Postemployment Benefits ("OPEB")

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

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

four coverage tiers depending on dependent status and continue until Medicare eligible. A Medicare supplement policy is available to Medicare eligible retirees with the retiree paying the full premium.

11. 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.

Lessor: The City is a lessor for a noncancellable lease of a cell tower. The City recognizes a lease receivable and a deferred inflow of resources in the governmentwide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease

receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.
Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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.

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 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.

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

The City accounts for vacation and sick leave in accordance with the provisions of GASB Statement No. 101, Compensated Absences. Under GASB Statement No. 101, the City recognizes a liability for compensated absences for vacation leave that is attributable to services already rendered and for which the City has a present obligation to provide compensation through paid time off or cash settlement. Vacation leave is reported as a liability regardless of whether it is expected to be paid within one year. The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Vested or accumulated vacation leave and compensated leave of government-wide and proprietary funds are recognized as an expense and liability of those funds as the benefits accrue to employees.

Sick leave is considered a non-separation benefit and is recognized as a liability only to the extent it is probable that the leave will be used for qualifying absences and the amount can be reasonably estimated. Because unused sick leave is not paid upon separation from employment, the City does not record a liability for sick leave beyond amounts expected to be taken as paid absences in the future.

It is the City's policy to liquidate compensated absences with future revenues rather than with currently available expendable resources. Accordingly, the City's governmental funds recognize accrued compensated absences when it is paid.

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, hotel/motel tax, and the enterprise funds. 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. The following funds exceeded appropriations at the level of control:

General Fund	$6,595,998
Debt Service Fund	$5,245

No other funds 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 $30,379,334, of which, $207,042 is restricted by enabling legislation.

B. Deficit Fund Equity

As of September 30, 2025, three nonmajor governmental funds, court technology, radio system maintenance, and drainage, reported deficit fund balances of $16,179, 74,105, and $75,915, respectively. The deficits will be replenished through interfund transfers and future operating surpluses.

C. Public Funds Investment & Collateral Acts

State statues require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2025, the market values of pledged securities and FDIC exceeded bank balances. In addition, the City is required to adopt certain standards as it relates to the investment and maintenance of public funds. The City was in compliance with the requirement Public Funds Investment Act and the Public Funds Collateral Act.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits - The City's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas Public Funds Investment Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the City's and the depository bank's agent bank. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of FDIC insurance. The City's deposits, as well as those of the City’s component unit were fully insured or collateralized as required by the state statutes at September 30, 2025.

As of September 30, 2025, the primary government had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
External investment pools	$ 53,806,973	0.12
Total value	$ 53,806,973	
Portfolio weighted average maturity		0.12

As of September 30, 2025, the component unit had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
External investment pools	$ 8,098,957	0.12
Total value	$ 8,098,957	
Portfolio weighted average maturity		0.12

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

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

Credit risk: The City's investment policy requires that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce the risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific user. At year-end, the City was not exposed to concentration of credit risk. It is LEDC policy to limit its investment to those that are authorized under the Texas Public Funds Investment Act. Additionally, any money market mutual funds or local government investment pools must be rated no lower than AAA by at least one nationally recognized rating service. As of September 30, 2025, 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, 2025.

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, 2025, the fair value of the portion in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

TexSTAR

TexSTAR has been established for governmental entities pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexSTAR's governing body is a five-member Board consisting of three representatives of participants and one member designated by each of the co-administrators. The Board holds legal title to all money, investments, and assets and has the authority to employ personnel, contract for services, and engage in other administrative activities necessary or convenient to accomplish the objectives of TexSTAR. Board oversight of TexSTAR is maintained through daily, weekly, and monthly reporting requirements. TexSTAR is rated

AAAm by Standard & Poor's. The City's fair value position is stated at the value of the position upon withdrawal. There were no limitations or restrictions on withdrawals.

Texas CLASS

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

B. Receivables

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

	Governmental Activities		
	General	Nonmajor Governmental	Total
Property taxes	$ 563,956	$ 141,978	$ 705,934
Sales tax	527,937	-	527,937
Other taxes	29,564	25,613	55,177
Fines & fees	602,486	131,815	734,301
Accounts	-	43,650	43,650
GBRA funds	302,455		302,455
Property liens	180,138		180,138
Other	(262,587)	-	(262,587)
Allowance	(661,307)	-	(661,307)
	$ 1,282,642	$ 343,056	$ 1,625,698

	Business-Type Activities				
	Electric	Water	Wastewater	Nonmajor	Total
Accounts	$ 3,063,733	$ 1,520,382	$ 704,803	$ 431,744	$ 5,720,662
Lease	-	62,283	-	-	62,283
EMS	-	-	-	192,008	192,008
Allowance	(227,939)	(83,046)	(53,265)	(211,791)	(576,041)
	$ 2,835,794	$ 1,499,619	$ 651,538	$ 411,961	$ 5,398,912

The component unit receivables balance consisted entirely of sales tax.

Lease Receivable

The City is a lessor of a contract in which the City receive lease payments from AT&T for the use of an existing cell tower. The lease commenced on August 1, 2023, with a term of months. Monthly lease payments of $2,000 will be paid through July 31, 2028. As of September 30, 2025, the lease receivable and offsetting deferred inflows amounted to $62,283 and $62,283, respectively. The below is the future amortization schedule for the receivable:

Year ending	Lease Receivable	
September 30,	Principal	Interest
2026	$ 21,830	$ 2,170
2027	22,719	1,281
2028	17,734	362
	$ 62,283	$ 3,813

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	$ 246,483	$ -	$ 1,833,877
Construction in progress	1,311,430	4,270,252	-	5,581,682
Total capital assets not being depreciated	2,898,824	4,516,735	-	7,415,559
Capital assets, being depreciated:				
Machinery and equipment	8,550,578	1,992,547	(6,824)	10,536,301
Buildings and improvements	14,464,576	1,532,830	-	15,997,406
Infrastructure	87,111,679	-	-	87,111,679
Right to use assets-leases	1,074,899	320,354	-	1,395,253
Right to use assets-SBITA	151,988	-	-	151,988
Total capital assets being depreciated	111,353,720	3,845,731	(6,824)	115,192,627
Less accumulated depreciation				
Machinery and equipment	7,046,152	493,023	(6,824)	7,532,351
Buildings and improvements	6,242,285	412,084	-	6,654,369
Infrastructure	72,801,316	1,141,933	-	73,943,249
Right to use assets-leases	546,622	269,332	-	815,954
Right to use assets-SBITA	30,398	15,199	-	45,597
Total accumulated depreciation	86,666,773	2,331,571	(6,824)	88,991,520
Net capital assets being depreciated	24,686,947	1,514,160	-	26,201,107
Total Capital Assets	$ 27,585,771	$ 6,030,895	$ -	$ 33,616,666

Depreciation was charged to governmental functions as follows:

General government	$ 252,595
Public safety	664,207
Public works	1,153,459
Health and welfare	9,178
Culture and recreation	252,132
Total Governmental Activities Depreciation Expense	$ 2,331,571

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	$ 424,815	$ -	$ 999,525
Construction in progress	1,378,115	4,518,394	(1,014,530)	4,881,979
Total capital assets not being depreciated	1,952,825	4,943,209	(1,014,530)	5,881,504
Capital assets, being depreciated:				
Machinery and equipment	8,314,651	327,349	(1,391,886)	7,250,114
Buildings and improvements	4,151,722	-	-	4,151,722
Infrastructure	50,736,165	248,769	1,014,530	51,999,464
Right to use assets-leases	348,816	54,126	-	402,942
Intangibles	44,455,000	-	-	44,455,000
Total capital assets being depreciated	108,006,354	630,244	(377,356)	108,259,242
Less accumulated depreciation				
Machinery and equipment	6,821,203	216,021	(881,127)	6,156,097
Buildings and improvements	3,329,399	14,223	-	3,343,622
Infrastructure	25,771,045	1,142,630	-	26,913,675
Right to use assets-leases	282,332	56,240	-	338,572
Intangibles	8,681,568	1,500,218	-	10,181,786
Total accumulated depreciation	44,885,547	2,929,332	(881,127)	46,933,752
Net capital assets being depreciated	63,120,807	(2,299,088)	503,771	61,325,490
Total Capital Assets	$ 65,073,632	$ 2,644,121	$ (510,759)	$ 67,206,994

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

Electric	$ 543,146
Water	2,016,541
Wastewater	263,913
EMS	31,512
Sanitation	18,371
Airport	55,849
Total Business-type Activities Depreciation Expense	$ 2,929,332

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	$ 821,888	$ -	$ -	$ 821,888
Construction in progress	186,194	41,349	-	227,543
Total capital assets not being depreciated	1,008,082	41,349	-	1,049,431
Capital assets, being depreciated:				
Buildings	4,477,872	27,250	-	4,505,122
Right to use assets	56,020	96,656	(56,020)	96,656
Total capital assets being depreciated	4,533,892	123,906	(56,020)	4,601,778
Less accumulated depreciation				
Buildings	292,345	90,102	-	382,447
Right to use assets	48,018	14,447	(56,020)	6,445
Total accumulated depreciation	340,363	104,549	(56,020)	388,892
Net capital assets being depreciated	4,193,529	19,357	-	4,212,886
Total Capital Assets	$ 5,201,611	$ 60,706	$ -	$ 5,262,317

Depreciation was charged to the following activities as follows:

Lockhart EDC	$ 104,549
Total Depreciation Expense	$ 104,549

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, 2025. 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	$ 2,548,302	$ -	$ (594,978)	$ 1,953,324	$ 624,914
Certificates of Obligation	5,548,135	18,955,000	(412,595)	24,090,540	433,340
Tax notes	1,708,666	-	(325,049)	1,383,617	333,679
Less deferred amounts:					
For premiums	343,716	1,325,909	(67,036)	1,602,589	-
Total Bonds Payable	10,148,819	20,280,909	(1,399,658)	29,030,070	1,391,933
SBITA liabilities	127,202	-	(14,099)	113,103	15,328
Lease liabilities	534,607	320,354	(231,801)	623,160	242,094
Total Governmental Activities	$ 10,810,628	$ 20,601,263	$ (1,645,558)	$ 29,766,333	$ 1,649,355
		Long-term liabilities due in more than one year		$ 28,116,978	
Business-Type Activities:					
General Obligation Bonds	$ 856,696	$ -	$ (200,022)	$ 656,674	$ 210,086
Certificates of Obligation	6,486,867	-	(482,405)	6,004,462	506,660
Tax Notes	1,261,334	-	(239,950)	1,021,384	246,321
Less deferred amounts:					
For premiums	242,466	-	(32,260)	210,206	-
Total Bonds Payable	8,847,363	-	(954,637)	7,892,726	963,067
Lease liabilities	25,850	54,126	(54,152)	25,824	25,824
Notes payable	1,840,710	-	(184,913)	1,655,797	189,535
GBRA Obligations	40,875,000	-	(1,105,000)	39,770,000	1,125,000
Total Business-Type Activities	$ 51,588,923	$ 54,126	$ (2,298,702)	$ 49,344,347	$ 2,303,426
		Long-term liabilities due in more than one year		$ 47,040,921	
Component Unit Activities (LEDC):					
Lease liabilities	$ 8,754	$ 96,656	$ (14,295)	$ 91,115	$ 17,172
Revenue bonds	1,250,000	-	(100,000)	1,150,000	100,000
Total Component Unit Activities	$ 1,258,754	$ 96,656	$ (114,295)	$ 1,241,115	$ 117,172
		Long-term liabilities due in more than one year		$ 1,123,943	

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, 2025, there was $1,845,000 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, 2025, there was $37,925,000 of obligations outstanding.

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

	Governmental Activities	Business - Type Activities	Total
General Obligation Bonds:			
$6,530,000 General Obligation Refunding Bond, Series 2016, due in annual installments through August 2028, interest at 3.6%	$ 1,953,324	$ 656,674	$ 2,609,998
Total General Obligation Bonds	$ 1,953,324	$ 656,674	$ 2,609,998
Certificates of Obligation:			
$16,685,000 Certificates of Obligation, Series 2015, due in annual installments through August 2035 interest at 3.39%	$ 5,135,540	$ 6,004,462	$ 11,140,002
$18,955,000 Certificates of Obligation, Series 2025, due in annual installments through 2045, interest at 5%	18,955,000	-	18,955,000
Total Certificates of Obligation	$ 24,090,540	$ 6,004,462	$ 30,095,002
Notes Payable:			
$3,600,000 2013 State Infrastructure Bank Loan due in annual installments through June 2033, interest at 2.50%	$ -	$ 1,655,797	$ 1,655,797
Total Notes Payable	$ -	$ 1,655,797	$ 1,655,797
Tax Notes:			
$4,050,000 Limited Tax Note, Series 2022, due in annual installments through 2029, interest at 2.61%	$ 1,383,617	$ 1,021,384	$ 2,405,001
Total Tax Notes	$ 1,383,617	$ 1,021,384	$ 2,405,001
GBRA Obligations:			
$4,950,000 GBRA Revenue Bond, Series 2014, due in installments through 2030, interest at 3.45%	$ -	$ 1,845,000	$ 1,845,000
$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%	-	2,285,000	2,285,000
$2,095,000 Contract Revenue Bond, Series 2018B, due in installments through 2048, interest at 3.23%	-	1,730,000	1,730,000
$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%	-	1,470,000	1,470,000
$8,250,000 Contract Revenue Bond, Series 2020, due in installments through 2050, interest at 2.08%	-	6,920,000	6,920,000
$14,485,000 Contract Revenue Bond, Series 2021, due in installments through 2050, interest at 2.75%	-	12,165,000	12,165,000
Total GBRA Obligations	$ -	$ 39,770,000	$ 39,770,000

	Governmental Activities	Business - Type Activities	Total
Lease Liabilities:			
$322,861 lease payable for building, due in monthly installments of $5,315 to $6,218 through 2027, interest at 2.61%	$ 131,781	$ -	$ 131,781
$610,998 lease payable to Enterprise Fleet, due in monthly installments of $13,106 through 2025, interest at 1.5%	491,379	25,824	517,203
Total Lease Liabilities	$ 623,160	$ 25,824	$ 648,984
SBITA Liabilities:			
$64,352 SBITA payable to Eforce Records Management, due in annual installments of $6,862 through 2031, interest at 4.5%	$ 42,781	$ -	$ 42,781
$105,777 SBITA payable to Eforce Records License, due in annual installments of $11,966-$14,717 through 2031, interest at 4.5%	70,322	-	70,322
Total SBITA Liabilities	$ 113,103	$ -	$ 113,103
Premiums	1,602,589	210,206	1,812,795
Total Debt	$ 29,766,333	$ 49,344,347	$ 79,110,680

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%	$ 1,150,000
Total Sales Tax Reveue Bonds	$ 1,150,000
Lease liabilities:	
$96,656 lease payable for building, due in monthly installments of $5,978-$6,218 through March 2027, interest at 2.61%	$ 91,115
Total Lease Liabilities	$ 91,115
Total Debt	$ 1,241,115

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

Year ending	2015 Tax & Rev CO		2025 Tax & Rev CO		2016 GO Refunding	
September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 433,340	$ 164,594	$ -	$ 913,526	$ 624,914	$ 78,133
2027	447,170	151,594	95,000	947,750	647,366	53,136
2028	461,000	138,179	225,000	943,000	681,044	27,242
2029	493,270	124,349	720,000	931,750	-	-
2030	507,100	109,551	755,000	895,750	-	-
2031-2035	2,793,660	290,810	4,390,000	3,872,250	-	-
2036-2040	-	-	5,610,000	2,659,000	-	-
2041-2045	-	-	7,160,000	1,109,000	-	-
	$ 5,135,540	$ 979,077	$ 18,955,000	$ 12,272,026	$ 1,953,324	$ 158,511

Year ending	2022 Tax Note		Leases	
September 30,	Principal	Interest	Principal	Interest
2026	$ 333,679	$ 31,758	$ 242,094	$ 42,655
2027	339,432	22,974	198,861	25,340
2028	350,938	13,964	53,251	15,813
2029	359,568	4,692	58,920	9,602
2030	-	-	70,034	2,782
	$ 1,383,617	$ 73,389	$ 623,160	$ 96,192

Year ending	SBITA		
September 30,	Principal	Interest	Total
2026	$ 15,328	$ 5,090	$ 20,418
2027	16,630	4,400	21,030
2028	18,010	3,652	21,662
2029	19,470	2,841	22,311
2030	21,015	1,965	22,980
2031	22,650	1,019	23,669
Total	$ 113,103	$ 18,967	$ 132,070

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 $106,391.

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 $106,391.

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

Year ending	2015 Tax & Rev CO		2016 GO Refunding		2022 Tax Note	
September 30,	Principal	Interest	Principal	Interest	Principal	Interest
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	228,954	9,158	259,062	10,309
2029	576,730	145,389	-	-	265,433	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	-	-	-	-
	$ 6,004,462	$ 1,144,735	$ 656,674	$ 53,289	$ 1,021,384	$ 54,176

Year ending	State Infrastructure Loan		Leases	
September 30,	Principal	Interest	Principal	Interest
2026	$ 189,535	$ 41,395	$ 25,824	$ 365
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	225,297	5,632	-	-
	$ 1,655,797	$ 191,640	$ 25,824	$ 365

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 $64,370.

Year ending September 30,	Guadelupa-Blanco River Authority		
	Principal	Interest	Total
2026	$ 1,125,000	$ 1,121,587	$ 1,676,666
2027	1,140,000	1,102,995	1,680,790
2028	1,165,000	1,082,839	1,678,995
2029	1,185,000	1,061,242	1,681,122
2030	1,205,000	1,038,043	1,682,354
2031-2035	4,280,000	4,958,459	1,677,396
2036-2040	5,825,000	4,473,644	1,273,454
2041-2045	9,245,000	3,401,223	1,280,093
2046-2050	10,200,000	1,823,633	1,275,529
2051-2054	4,400,000	351,721	1,280,100
	$ 39,770,000	$ 20,415,385	$ 15,186,498

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

Year ending September 30,	Leases	
	Principal	Interest
2026	$ 17,172	$ 2,176
2027	18,411	1,713
2028	19,711	1,217
2029	21,078	686
2030	14,743	145
	$ 91,115	$ 5,937

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 $90,211.

Year ending September 30,	2020 Sales Tax and Revenue Bonds	
	Principal	Interest
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
2031-2035	610,000	46,067
	$ 1,150,000	$ 162,282

G. Other Long-term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities:					
Compensated absences	$ 745,309	$ 795,847	$ (670,778)	$ 870,378	$ 783,340
Total Governmental Activities	$ 745,309	$ 795,847	$ (670,778)	$ 870,378	$ 783,340
Other long-term liabilities due in more than one year				$ 87,038	
Business-Type Activities:					
Compensated absences	$ 122,065	$ 146,959	$ (109,859)	$ 159,166	$ 143,249
Total Business-Type Activities	$ 122,065	$ 146,959	$ (109,859)	$ 159,166	$ 143,249
Other long-term liabilities due in more than one year				$ 15,917	
EDC Activities:					
Compensated absences	$ 1,587	$ 3,198	$ (1,428)	$ 3,357	$ 3,021
Total Business-Type Activities	$ 1,587	$ 3,198	$ (1,428)	$ 3,357	$ 3,021
Other long-term liabilities due in more than one year				$ 336	

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 $93,769 and $65,792, respectively. Current year amortization expense for governmental and business-type activities totaled $23,442 and $16,448, respectively.

I. Interfund Transactions

The compositions of interfund advances to/from balances as of the year ended September 30, 2025 were as follows:

	Due from:		
Due to:	**General Fund**	**Wastewater Fund**	**Total**
Electric	$ 2,727,972	$ 26,193	$ 2,754,165
Water	1,235,479	374,058	1,609,537
Wastewater	15,294	-	15,294
Nonmajor govt.	238,128	-	238,128
Total	$ 4,216,873	$ 400,251	$ 4,617,124

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.

The LEDC recorded a total payable of $79,220 to the general fund during the year.

Transfers between the primary government during the 2025 year were as follows:

	Transfers Out:						
Transfers In:	**General**	**Electric**	**Water**	**Wastewater**	**Nonmajor governmental**	**Nonmajor bus.-type**	**Total**
General	$ -	$ 2,390,930	$ 298,136	$ 755,605	$ 550,000	$ 471,509	$ 4,466,180
Nonmajor govt	58,447	-	-	246,520	132,143	-	437,110
Water	-	-	-	532,787	-	-	532,787
Total	$ 58,447	$ 2,390,930	$ 298,136	$ 1,534,912	$ 682,143	$ 471,509	$ 5,436,077

Transfers between funds were primarily to support debt service requirements and operation of funds.

V. OTHER INFORMATION

A. Risk Management

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

B. Contingent Liabilities

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

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

C. Commitments

Water Purchase Commitment

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

D. Pension Plans

Texas Municipal Retirement Systems

Plan Description

The City of Lockhart, Texas participates as one of 938 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code

(the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

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

Benefits Provided

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

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

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

Plan provisions for the City were as follows:

	Plan Year 2024	Plan Year 2023
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 Retroactive Repeating	70% of CPI Repeating

Employees covered by benefit terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	114
Inactive employees entitled to but not yet receiving benefits	160
Active employees	151
Total	425

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 13.06% and 14.17% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were $1,337,697, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2024, 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, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.60% to 11.85% 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 110% of the Public Safety table used for males and 100% of 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 the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are 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 mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the 3.5% and 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 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, Gabriel, Roeder, Smith & Company (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 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	6.7%
Core Fixed Income	6.0%	4.7%
Non-Core Fixed Income	20.0%	8.0%
Other Public/Private Markets	12.0%	8.0%
Real Estate	12.0%	7.6%
Hedge Funds	5.0%	6.4%
Private Equity	10.0%	11.6%
Total	100.0%	

Discount Rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Of the total pension liability, $3,770,224 is related to the primary government, and $61,697 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 12/31/23	$ 43,107,349	$ 38,291,146	$ 4,816,203	$ 4,738,659	$ 77,544
Changes for the year:					
Service cost	1,370,951	-	1,370,951	1,348,877	22,074
Interest	2,881,842	-	2,881,842	2,835,442	46,400
Change in benefit terms	-	-	-	-	-
Difference between expected and actual experience	500,647	-	500,647	492,586	8,061
Changes of assumptions	-	-	-	-	-
Contributions – employer	-	1,228,027	(1,228,027)	(1,208,255)	(19,772)
Contributions – employee	-	564,178	(564,178)	(555,094)	(9,084)
Net investment income(loss)	-	3,971,631	(3,971,631)	(3,907,684)	(63,947)
Benefit payments, including refunds of emp. contributions	(2,197,725)	(2,197,725)	-	-	-
Administrative expense	-	(25,516)	25,516	25,105	411
Other changes	-	(598)	598	587	11
Net changes	2,555,715	3,539,997	(984,282)	(968,435)	(15,847)
Balance at 12/31/24	$ 45,663,064	$ 41,831,143	$ 3,831,921	$ 3,770,224	$ 61,697

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

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

1% Decrease 5.75%	Current Single Rate 6.75%	1% Increase 7.75%
$ 9,902,176	$ 3,770,224	$ (1,237,174)

Component Unit

1% Decrease 5.75%	Current Single Rate 6.75%	1% Increase 7.75%
$ 162,043	$ 61,697	$ (20,246)

Total

1% Decrease 5.75%	Current Single Rate 6.75%	1% Increase 7.75%
$ 10,064,219	$ 3,831,921	$ (1,257,420)

Pension Plan Fiduciary Net Position:

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

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

For the year ended September 30, 2025, the City recognized pension expense of $1,166,262. Of this amount, $1,147,484 is related to the primary government and $18,778 is attributable to the discretely presented component unit.

At September 30, 2025, 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	$ -	$ (372,985)
Change in assumptions	-	(127,642)
Differences between expected and actual economic experience	251,681	-
Contributions subsequent to the measurement date	948,677	-
Component Units:		
Difference between projected and actual investment earnings	-	(6,104)
Change in assumptions	-	(2,089)
Differences between expected and actual economic experience	4,119	-
Contributions subsequent to the measurement date	15,524	-
Total	$ 1,220,001	$ (508,820)

The primary government and component units reported $948,677 and $15,524, 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, 2026.

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

Year ended December 31:	Primary Government	Discretely Presented Component Units	Total
2025	$ 40,377	$ 661	$ 41,038
2026	588,060	9,623	597,683
2027	(604,451)	(9,891)	(614,342)
2028	(272,933)	(4,466)	(277,399)
2029	-	-	-
Thereafter	-	-	-
	$ (248,946)	$ (4,074)	$ (253,020)

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, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	**78**
Inactive employees entitled to but not yet receiving benefits	27
Active employees	151
Total	256

The City's contributions to the TMRS SDBF for the years ended 2025, 2024, and 2023 were $16,715, $15,319, and $10,839, respectively, which equaled the required contributions each year.

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

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2023	0.15%	0.15%	100.0%
2024	0.18%	0.18%	100.0%
2025	0.17%	0.17%	100.0%

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2024, 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, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.60% to 11.85%, including inflation per year
Discount rate	4.08%
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 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements. For disabled annuitants, the mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females. The rates are projected on a fully generational basis by the most recent Scale MP=2021 (with immediate convergence) to account for future mortality improvements subject to the 3.5% and 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 4.08%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2024.

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 4.08%, 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 (3.08%) or 1-percentage-point higher (5.08%) than the current rate:

1% Decrease	Current Single Rate	1% Increase
3.08%	4.08%	5.08%
$ 538,906	$ 458,109	$ 394,210

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/23	$ 448,005
Changes for the year:	
Service Cost	18,809
Interest	16,925
Difference between expected and actual experience	14,161
Changes of assumptions	(22,866)
Benefit payments	(16,925)
Net changes	10,104
Balance at 12/31/24	$ 458,109

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

For the year ended September 30, 2025, the City recognized OPEB expense for the SDBF of $10,205. Total aggregate OPEB expense was $24,333 including the healthcare benefit OPEB discussed in the subsequent section.

At September 30, 2025, the City reported deferred outflows and 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	$ 7,017	$ -
Changes in assumptions and other inputs	-	(83,662)
Contributions subsequent to measurement date	11,569	-
Total	$ 18,586	$ (83,662)

The City reported $11,569 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, 2026.

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

Year ended December 31:	
2026	$ (34,567)
2027	(35,186)
2028	(5,807)
2029	(1,085)
2030	-
Thereafter	-
	$ (76,645)

Retiree Health Benefit Plan

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

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

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, 2024 and measured as of September 30, 2025 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 2024 actuarial valuation for the development of the GASB 75 disclosures related to OPEB benefits for the year ended September 30, 2025.

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

The following is a summary of the actuarial assumptions:

Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level Percent-of-Payroll
Asset Valuation Method	N/A
Discount Rate	4.06%
Inflation Rate	2.50%
Salary Growth	3.50%
Healthcare Cost Trend Rate (Initial/Ultimate)	4.50% for medical

At the September 30, 2024 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, 2024 valuation date, the following employees were covered by the benefit terms:

Status	**Employee**	**Employee & Spouse**
Inactive employees or beneficiaries currently receiving benefits	4	0
Active employees	30	6
Total	**34**	**6**

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.06%. The discount rate was based on the Bond Buyer GO Bond 20 Year Index rate as of September 30, 2024, 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 4.06%, 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 (3.06%) or 1-percentage-point higher (5.06%) than the current rate:

1% Decrease 3.06%	Current Single Rate 4.06%	1% Increase 5.06%
$ 325,545	$ 347,690	$ 371,682

Healthcare Cost Trend

1% Decrease 3.50%	Current Healthcare Cost Trend 4.50%	1% Increase 5.50%
$ 322,091	$ 347,690	$ 376,659

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 9/30/2023	$ 353,551
Changes for the year:	
Service Cost	5,631
Interest	14,064
Benefit payments	(25,557)
Net changes	(5,861)
Balance at 9/30/2024	$ 347,690

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

For the year ended September 30, 2025, the City recognized OPEB expense for the health benefit plan of $14,128.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Inflows of Resources
Difference between expected and actual experience	$ (14,723)
Change in assumptions	(15,122)
Total	$ (29,845)

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

Year ended September 30:	
2026	$ (8,156)
2027	(12,208)
2028	(7,759)
2029	(1,722)
2030	-
Thereafter	-
	$ (29,845)

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, 2025:

$13,885 of real property and personal property taxes was rebated to a manufacturing company that commercializes fiber reactor technology to enhance and improve manufacturing environments by increasing the efficiency of existing refining operations utilizing two-phase chemistry.

The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities. The City has chosen to disclose information about its tax abatement agreements

individually. It established a quantitative threshold of 100% percent of the total dollar amount of taxes abated during the year.

G. Restatement

The City restated beginning net position for the EMS fund and business-type activities to adjust prior year accrued payables. In addition, the City restated beginning net position for the governmental activities to account for the new acct. standard – GASB 101, *Compensated Absences*. The restatements are as follows:

	Governmental Activities	Buisness-Type Activities	Business-Type Nonmajor
Prior year ending net position, as reported	$ 36,418,436	$ 33,404,189	3,164,586
Restatements for accrued payables	-	(57,612)	(57,612)
Restatements for new acct. standard-GASB 101, *Compensated Absences*	(167,457)	-	-
Restated beginning net position	$ 36,250,979	$ 33,346,577	$ 3,106,974

H. New Accounting Pronouncements

The City adopted GASB 101, *Compensated Absences* during the year. The goal of the standard is to create a more consistent model for accounting for compensated absences that can be applied to all types of compensated absence arrangements.

The new guidance introduces three criteria for recording a liability in financial statements prepared using the economic resources measurement focus (often referred to as a "full accrual" basis). A liability should be recognized for leave that has not been used if all of the following are true:

- The leave is attributable to services already rendered.
- The leave accumulates.
- The leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means (likelihood of more than 50 percent).

This standard was applied retroactively and resulted in a sick leave liability of $129,883 as of September 30, 2025.

I. Related Party Transactions

During the year ended September 30, 2025, the City had the following transactions with related parties of the City:

- Council member Jeffery Michelson is a member of the Board of Directors of First Lockhart National Bank, depository for the City. Mr. Michelson abstains from voting on all matters involving the banking institution.

J. Sale of EMS Assets

In January 2025, the City entered into an Asset Purchase and Sale Agreement with Caldwell County Emergency Services District No. 5 to transfer ownership of Emergency Medical Services (EMS) operational assets.

Under the agreement, the City agreed to sell specified EMS-related personal property, including ambulances, vehicles, and medical equipment, for a total purchase price of $381,018, payable at closing on January 31, 2025.

In addition to the purchase price, the buyer will assume and pay directly to the vendor the remaining balance of $217,975 related to one ambulance (Medic 6). Medicine and consumable supplies on hand as of February 1, 2025 will be purchased separately at a price to be determined at that time.

The transaction represents a sale of assets only. The ESD did not assume any other liabilities of the City related to EMS operations. Both parties provided customary representations and warranties, and indemnification provisions are included in the agreement.

K. Subsequent Events

There were no subsequent events through March 17, 2026, the date the financial statements were issued.

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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, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	
Revenues				
Property tax	$ 5,885,600	$ 6,279,835	$ 394,235	
Sales tax	3,006,935	3,284,944	278,009	
Franchise and local taxes	401,631	396,051	(5,580)	
License and permits	891,630	308,495	(583,135)	
Charges for services	91,800	695,752	603,952	
Intergovernmental	617,969	130,306	(487,663)	
Fines and forfeitures	251,500	503,642	252,142	
Investment income	350,000	585,702	235,702	
Other revenue	53,950	93,710	39,760	
Total Revenues	11,551,015	12,278,437	727,422	
Expenditures				
Current:				
General government	2,057,344	2,511,288	(453,944)	
Public safety	8,201,757	8,229,238	(27,481)	
Public works	2,211,318	5,552,959	(3,341,641)	
Health and welfare	15,894	28,920	(13,026)	
Culture and recreation	1,518,803	1,678,071	(159,268)	
Community development	1,896,096	1,238,878	657,218	
Debt Service:				
Principal	-	245,900	(245,900)	
Interest and fiscal charges	-	38,926	(38,926)	
Capital outlay	-	2,979,583	(2,979,583)	
Total Expenditures	15,901,212	22,503,763	(6,602,551)	*
Revenues Over (Under) Expenditures	(4,350,197)	(10,225,326)	(5,875,129)	

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, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	
Other Financing Sources (Uses)				
Lease issuance	$ -	$ 320,354	$ 320,354	
Sale of assets	25,000	201	(24,799)	
Transfers in	4,459,991	4,466,180	6,189	
Transfers (out)	(65,000)	(58,447)	6,553	
Total Other Financing Sources (Uses)	4,419,991	4,728,288	308,297	*
Net Change in Fund Balance	$ 69,794	(5,497,038)	$ (5,566,832)	
Beginning fund balance		14,426,095		
Ending Fund Balance		$ 8,929,057		

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.
2. Total expenditures (including transfers out) exceeded appropriations at the legal level of control

City of Lockhart, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended:

	12/31/2024	12/31/2023	12/31/2022	12/31/2021
Total pension liability				
Service cost	$ 1,370,951	$ 1,003,200	$ 1,019,640	$ 1,005,010
Interest	2,881,842	2,800,841	2,695,766	2,527,075
Differences between expected and actual experience	500,647	(193,699)	57,152	850,154
Changes of assumptions	-	(414,853)	-	-
Benefit payments, including refunds of participant contributions	(2,197,725)	(2,160,970)	(2,254,366)	(1,526,480)
Net change in total pension liability	2,555,715	1,034,519	1,518,192	2,855,759
Total pension liability - beginning	43,107,349	42,072,830	40,554,638	37,698,879
Total pension liability - ending (a)	$ 45,663,064	$ 43,107,349	$ 42,072,830	$ 40,554,638
Plan fiduciary net position				
Contributions - employer	$ 1,228,027	$ 958,429	$ 953,882	$ 950,147
Contributions - members	564,178	455,310	464,176	457,169
Net investment income	3,971,631	4,048,327	(2,821,822)	4,474,872
Benefit payments, including refunds of participant contributions	(2,197,725)	(2,160,970)	(2,254,366)	(1,526,480)
Administrative expenses	(25,516)	(25,782)	(24,426)	(20,710)
Other	(598)	(180)	29,148	142
Net change in plan fiduciary net position	3,539,997	3,275,134	(3,653,408)	4,335,140
Plan fiduciary net position - beginning	38,291,146	35,016,012	38,669,420	34,334,280
Plan fiduciary net position - ending (b)	$ 41,831,143	$ 38,291,146	$ 35,016,012	$ 38,669,420
Fund's net pension liability - ending (a) - (b)	$ 3,831,921	$ 4,816,203	$ 7,056,818	$ 1,885,218
Plan fiduciary net position as a percentage of the total pension liability	91.61%	88.83%	83.23%	95.35%
Covered payroll	$ 9,402,959	$ 7,588,505	$ 7,736,270	$ 7,619,481
Fund's pension liability as a percentage of covered payroll	40.75%	63.47%	91.22%	24.74%

12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
$ 961,008	$ 908,475	$ 861,176	$ 803,650	$ 809,909	$ 755,292
2,392,058	2,267,377	2,158,275	2,050,665	1,924,544	1,840,606
193,047	(28,525)	(144,312)	(95,374)	213,804	541,546
-	94,975	-	-	-	143,888
(1,609,242)	(1,233,643)	(1,331,302)	(1,055,658)	(1,097,681)	(1,084,811)
1,936,871	2,008,659	1,543,837	1,703,283	1,850,576	2,196,521
35,762,008	33,753,349	32,209,512	30,506,229	28,655,653	26,459,132
$ 37,698,879	$ 35,762,008	$ 33,753,349	$ 32,209,512	$ 30,506,229	$ 28,655,653
$ 933,321	$ 884,655	$ 848,460	$ 779,767	$ 708,591	$ 721,903
437,153	408,304	385,314	358,239	358,731	352,824
2,439,599	4,299,655	(862,453)	3,497,425	1,599,743	34,935
(1,609,242)	(1,233,643)	(1,331,302)	(1,055,658)	(1,097,681)	(1,084,811)
(15,791)	(24,299)	(16,669)	(18,124)	(18,076)	(21,283)
(616)	(730)	(872)	(918)	(974)	(1,051)
2,184,424	4,333,942	(977,522)	3,560,731	1,550,334	2,517
32,149,856	27,815,914	28,793,436	25,232,705	23,682,371	23,679,854
$ 34,334,280	$ 32,149,856	$ 27,815,914	$ 28,793,436	$ 25,232,705	$ 23,682,371
$ 3,364,599	$ 3,612,152	$ 5,937,435	$ 3,416,076	$ 5,273,524	$ 4,973,282
91.08%	89.90%	82.41%	89.39%	82.71%	82.64%
$ 7,285,883	$ 6,805,058	$ 6,421,896	$ 5,970,653	$ 5,937,749	$ 5,730,595
46.18%	53.08%	92.46%	57.21%	88.81%	86.78%

City of Lockhart, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Actuarially determined employer contributions	$ 1,337,697	$ 1,152,717	$ 944,606	$ 946,174
Contributions in relation to the actuarially determined contribution	$ 1,337,697	$ 1,152,717	$ 944,606	$ 946,174
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Annual covered payroll	$ 9,664,369	$ 8,904,053	$ 7,533,848	$ 7,648,561
Employer contributions as a percentage of covered payroll	13.84%	12.95%	12.54%	12.37%

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	21 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed fair value; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% 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 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are bultiplied by 103% and femaile rates are multiplied by 105%. The rates are projected on a fully generational basis with the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence)

Other Information:

Notes	There were no benefit changes during the year.

	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
	$ 941,155	$ 896,545	$ 872,807	$ 829,948	$ 754,327	$ 734,637
	$ 941,155	$ 896,545	$ 872,807	$ 829,948	$ 754,327	$ 734,637
	$ -	$ -	$ -	$ -	$ -	$ -
	$ 7,490,384	$ 6,972,445	$ 6,687,118	$ 6,300,160	$ 5,911,532	$ 6,129,529
	12.56%	12.86%	13.05%	13.17%	12.76%	11.99%

City of Lockhart, Texas

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

TEXAS MUNICIPAL RETIREMENT SYSTEM

SUPPLEMENTAL DEATH BENEFITS PLAN

Years Ended:

	[1] 12/31/2024	12/31/2023	12/31/2022	12/31/2021
Total OPEB liability				
Service cost	$ 18,809	$ 13,659	$ 29,398	$ 28,954
Interest	16,925	16,846	10,714	10,983
Differences between expected and actual experience	14,161	(7,404)	7,532	(13,022)
Changes of assumptions	(22,866)	21,476	(195,401)	16,765
Benefit payments	(16,925)	(11,382)	(10,057)	(11,429)
Net changes	10,104	33,195	(157,814)	32,251
Total OPEB liability - beginning	448,005	414,810	572,624	540,373
Total OPEB liability - ending	[2] $ 458,109	$ 448,005	$ 414,810	$ 572,624
Covered employee payroll	$ 9,402,959	$ 7,588,505	$ 7,736,270	$ 7,619,481
Fund's net position as a percentage of covered employee payroll	4.87%	5.90%	5.36%	7.52%

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.

12/31/2020	12/31/2019	12/31/2018	12/31/2017
$ 23,315	$ 17,693	$ 19,266	$ 15,524
13,308	14,621	13,571	13,276
(36,363)	(18,892)	(17,158)	-
70,035	77,468	(27,464)	31,482
(4,372)	(3,403)	(3,211)	(3,582)
65,923	87,487	(14,996)	56,700
474,450	386,963	401,959	345,259
$ 540,373	$ 474,450	$ 386,963	$ 401,959
$ 7,285,883	$ 6,805,058	$ 6,421,896	$ 5,970,653
7.42%	6.97%	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] 9/30/2025	9/30/2024	9/30/2023	9/30/2022
Total OPEB liability				
Service cost	$ 5,632	$ 6,779	$ 6,779	$ 13,045
Interest	14,064	17,980	17,980	9,628
Differences between expected and actual experience	-	(44,768)	-	38,165
Changes of assumptions	-	16,180	-	(81,547)
Benefit payments	(25,557)	(25,558)	(23,980)	(23,980)
Net changes	(5,861)	(29,387)	779	(44,689)
Total OPEB liability - beginning	353,551	382,938	382,159	426,848
Total OPEB liability - ending	[2] $ 347,690	$ 353,551	$ 382,938	$ 382,159
Covered employee payroll	$ 2,067,177	$ 2,067,177	$ 2,950,019	$ 2,950,019
Fund's net position as a percentage of covered employee payroll	16.82%	17.10%	12.98%	12.95%

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.

9/30/2021	9/30/2020	9/30/2019	9/30/2018
$ 13,045	$ 11,786	$ 11,786	$ 11,326
9,754	15,971	15,460	15,641
-	(9,846)	-	-
-	53,744	-	-
(32,804)	(32,804)	(20,086)	(20,086)
(10,005)	38,851	7,160	6,881
436,853	398,002	390,842	383,961
$ 426,848	$ 436,853 [2]	$ 398,002 [2]	$ 390,842
$ 3,307,156	$ 3,307,156	$ 3,778,438	$ 3,778,438
12.91%	13.21%	10.53%	10.34%

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND

This fund is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of governmental funds.

RADIO TOWER EQUIPMENT REPLACEMENT

This fund is used to account for funding received and expenditures used for the replacement of radio tower equipment.

FORFIETED PROPERTY

This fund is used to account for forfeitures for use in the Police Department.

HOTEL/MOTEL TAX

This fund is used to account for revenues and expenditures of the hotel/motel tax receipts as specified by state statute.

LEOSE FUND

This fund is used to account for LEOSE grants received for use in the Police Department.

ROAD IMPACT FEES #1

This fund is used to account for road impact fees collected and expenditures used on roadway construction impacted by development.

ROAD IMPACT FEES #2

This fund is used to account for road impact fees collected and expenditures used on roadway construction impacted by development.

COURT TECHNOLOGY

This fund is used to account for funds collected in association with the portion of the court fees which are restricted for use on court technology.

RADIO SYSTEM MAINTENANCE

This fund is used to account for funding received and expenditures used for the radio system maintenance.

COURT SECURITY

This fund is used to account for funds collected in association with the portion of the fees which are restricted for use on court security.

CHILD SAFETY

This fund is used to account for funds collected in association with the portion of the fees which are restricted for use in child safety.

COURT EFFICIENCY

This fund is used to account for funds collected in association with the portion of the fees which are restricted for use on court efficiency.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

JUVENILE CASE MANAGER

This fund is used to account for funds collected in association with the portion of the fees which are restricted for use on costs associated with juvenile case manager.

TRUANCY COURT

This fund is used to account for funds collected in association with the portion of the fees which are restricted for use on truancy court.

LOCAL MUNICIPAL JURY

This fund is used to account for funds collected in association with the portion of the fees which are restricted for use on local municipal jury.

CABLE EDUCATION

This fund is used to account for funds collected Public, Educational, and Governmental (PEG) fees for use for capital expenditures related to the operation of public, educational, and governmental television channels.

TRANSPORTATION

This fund is used to account for transportation fees collected and expenditures used on roads impacted by commercial activities.

CARES RELIEF ACT

This fund is used to account for funds received from U.S. Department of Treasury for various qualified expenditures associated with the American Relief and Recovery Act Grant.

CLEARFORK SECTION 1 SIDEWALK

This fund is used to track funds related to the Clearfork Section 1 Sidewalk project.

MAPLE 2201 TRAIL PROJECT

This fund is used to track funds related to the Maple 2201 Trail Project.

2015 CERTIFICATES OF OBLIGATION

This fund is used to track funds related to the series 2015 Certificates of Obligation.

MAPLE STREET PARK IMPROVEMENTS

This fund is used to track funds related to the Maple Street Park Improvements.

City of Lockhart, Texas

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2025

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
Assets				
Cash and cash equivalents	$ 1,764,913	$ 6,367,761	$ 428,121	$ 8,560,795
Accounts receivable	141,978	201,078	-	343,056
Prepaid	-	24,289	-	24,289
Total Assets	$ 1,906,891	$ 6,593,128	$ 428,121	$ 8,928,140
Liabilities				
Accounts payable	$ -	$ 72,569	$ 229,821	$ 302,390
Accrued liabilities	-	-	40,553	40,553
Due to other funds	-	238,128	-	238,128
Total Liabilities	-	310,697	270,374	581,071
Deferred Inflows/Outflows				
Unavailable revenue-tax	141,979	-	-	141,979
Unavailable revenue-fines	-	8,479	-	8,479
Total Deferred Inflows	141,979	8,479	-	150,458
Fund Balances				
Nonspendable:				
Prepaids	-	24,289	-	24,289
Restricted for:				
Debt service	1,764,912	-	-	1,764,912
General government	-	95,689	-	95,689
Public safety	-	25,392	-	25,392
Municipal court	-	181,650	-	181,650
Tourism	-	87,496	-	87,496
Capital projects	-	6,049,924	157,747	6,207,671
Unassigned	-	(190,488)	-	(190,488)
Total Fund Balances	1,764,912	6,273,952	157,747	8,196,611
Total Liabilities, Deferred Inflows and Fund Balances	$ 1,906,891	$ 6,593,128	$ 428,121	$ 8,928,140

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, 2025

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
Revenues				
Property tax	$ 2,160,480	$ -	$ -	$ 2,160,480
Hotel occupancy tax	-	220,902	-	220,902
Fines and forfeitures	-	32,718	-	32,718
License and permits	-	368,834	-	368,834
Charges for services	-	758,836	-	758,836
Intergovernmental	24,255	132,843	-	157,098
Investment income	78,815	238,999	34,284	352,098
Total Revenues	2,263,550	1,753,132	34,284	4,050,966
Expenditures				
General government	-	303,532	-	303,532
Public safety	-	246,188	-	246,188
Public works	-	2,687	-	2,687
Culture and recreation	-	1,262	-	1,262
Debt service:				
Principal	1,332,622	-	-	1,332,622
Interest	332,560	-	-	332,560
Capital outlay	-	283,093	926,983	1,210,076
Total Expenditures	1,665,182	836,762	926,983	3,428,927
Revenues Over (Under) Expenditures	598,368	916,370	(892,699)	622,039
Other Financing Sources (Uses)				
Transfers in	378,663	58,447	-	437,110
Transfers (out)	-	(682,143)	-	(682,143)
Total Other Financing Sources (Uses)	378,663	(623,696)	-	(245,033)
Net Change in Fund Balances	977,031	292,674	(892,699)	377,006
Beginning fund balances	787,881	5,981,278	1,050,446	7,819,605
Ending Fund Balances	$ 1,764,912	$ 6,273,952	$ 157,747	$ 8,196,611

See Notes to Financial Statements.

City of Lockhart, Texas

COMBINING BALANCE SHEET (Page 1 of 2)

NONMAJOR SPECIAL REVENUE FUNDS

September 30, 2025

	Radio Tower Equipment Replacement	Forfeited Property	Hotel/ Motel Tax	LEOSE Fund
Assets				
Cash and cash equivalents	$ 3,287	$ 12,273	$ 69,462	$ 13,119
Accounts receivable	-	-	25,613	-
Prepaid	-	-	-	-
Total Assets	$ 3,287	$ 12,273	$ 95,075	$ 13,119
Liabilities				
Accounts payable and accrued liab.	$ -	$ -	$ -	$ -
Due to other funds	-	-	7,579	-
Total Liabilities	-	-	7,579	-
Deferred Inflows				
Unavailable revenue-fines and fees	-	-	-	-
Total Deferred Inflows	-	-	-	-
Fund Balances				
Nonspendable:				
Prepaids	-	-	-	-
Restricted for:				
General government	-	-	-	-
Public safety	-	12,273	-	13,119
Municipal court	-	-	-	-
Tourism	-	-	87,496	-
Capital projects	3,287	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	3,287	12,273	87,496	13,119
Total Liabilities, Deferred Inflows, and Fund Balances	$ 3,287	$ 12,273	$ 95,075	$ 13,119

See Notes to Financial Statements.

Road Impact Fees #1	Road Impact Fees #2	Court Technology	Radio System Maintenance	Court Security
$ 2,635,027	$ 1,882,703	$ -	$ -	$ 7,081
-	-	1,708	-	1,947
-	-	13,116	11,173	-
$ 2,635,027	$ 1,882,703	$ 14,824	$ 11,173	$ 9,028
$ -	$ -	$ 2,775	$ 814	$ -
-	-	26,520	84,464	-
-	-	29,295	85,278	-
-	-	1,708	-	1,947
-	-	1,708	-	1,947
-	-	13,116	11,173	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	7,081
-	-	-	-	-
2,635,027	1,882,703	-	-	-
-	-	(29,295)	(85,278)	-
2,635,027	1,882,703	(16,179)	(74,105)	7,081
$ 2,635,027	$ 1,882,703	$ 14,824	$ 11,173	$ 9,028

City of Lockhart, Texas

COMBINING BALANCE SHEET (Page 2 of 2)

NONMAJOR SPECIAL REVENUE FUNDS

September 30, 2025

	Child Safety	Court Efficiency	Juvenile Case Manager	Truancy Court
Assets				
Cash and cash equivalents	$ 55,754	$ 23,520	$ 81,435	$ 13,214
Accounts receivable	810	1,726	2,132	121
Prepaid	-	-	-	-
Total Assets	$ 56,564	$ 25,246	$ 83,567	$ 13,335
Liabilities				
Accounts payable and accrued liab.	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows				
Unavailable revenue-fines and fees	810	1,726	2,132	121
Total Deferred Inflows	810	1,726	2,132	121
Fund Balances				
Nonspendable:				
Prepaids	-	-	-	-
Restricted for:				
General government	-	-	-	-
Public safety	-	-	-	-
Municipal court	55,754	23,520	81,435	13,214
Tourism	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	55,754	23,520	81,435	13,214
Total Liabilities, Deferred Inflows, and Fund Balances	$ 56,564	$ 25,246	$ 83,567	$ 13,335

See Notes to Financial Statements.

Local Municipal Jury	Cable Education	Transportation	Drainage	CARES Relief Act	Total Special Revenue Funds
$ 646	$ 88,030	$ 539,496	$ -	$ 942,714	$ 6,367,761
35	25,314	98,022	43,650	-	201,078
-	-	-	-	-	24,289
$ 681	$ 113,344	$ 637,518	$ 43,650	$ 942,714	$ 6,593,128
$ -	$ 17,655	$ -	$ -	$ 51,325	$ 72,569
-	-	-	119,565	-	238,128
-	17,655	-	119,565	51,325	310,697
35	-	-	-	-	8,479
35	-	-	-	-	8,479
-	-	-	-	-	24,289
-	95,689	-	-	-	95,689
-	-	-	-	-	25,392
646	-	-	-	-	181,650
-	-	-	-	-	87,496
-	-	637,518	-	891,389	6,049,924
-	-	-	(75,915)	-	(190,488)
646	95,689	637,518	(75,915)	891,389	6,273,952
$ 681	$ 113,344	$ 637,518	$ 43,650	$ 942,714	$ 6,593,128

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, 2025

	Radio Tower Equipment Replacement	Forfeited Property	Hotel/ Motel Tax	LEOSE Fund
Revenues				
Hotel occupancy tax	$ -	$ -	$ 178,817	$ -
Fines and forfeitures	-	-	-	-
License and permits	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	4,608
Investment income	155	566	6,618	796
Total Revenues	155	566	185,435	5,404
Expenditures				
General government	-	-	248,750	-
Public safety	117	-	-	11,247
Public works	-	-	-	-
Culture and recreation	-	-	1,262	-
Capital outlay	-	-	-	-
Total Expenditures	117	-	250,012	11,247
Revenues Over (Under) Expenditures	38	566	(64,577)	(5,843)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	38	566	(64,577)	(5,843)
Beginning fund balances	3,249	11,707	152,073	18,962
Ending Fund Balances	$ 3,287	$ 12,273	$ 87,496	$ 13,119

See Notes to Financial Statements.

Road Impact Fees #1	Road Impact Fees #2	Court Technology	Radio System Maintenance	Court Security
$ -	$ -	$ -	$ -	$ -
-	-	4,872	-	10,726
154,814	214,020	-	-	-
-	-	-	-	-
-	-	-	128,235	-
118,012	79,882	-	-	2
272,826	293,902	4,872	128,235	10,728
-	-	12,180	-	-
-	-	-	234,212	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	12,180	234,212	-
272,826	293,902	(7,308)	(105,977)	10,728
-	-		58,447	-
-	-	-	-	-
-	-	-	58,447	-
272,826	293,902	(7,308)	(47,530)	10,728
2,362,201	1,588,801	(8,871)	(26,575)	(3,647)
$ 2,635,027	$ 1,882,703	$ (16,179)	$ (74,105)	$ 7,081

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, 2025

	Child Safety	Court Efficiency	Juvenile Case Manager	Truancy Court
Revenues				
Franchise and local taxes	$ -	$ -	$ -	$ -
Fines and forfeitures	1,530	4,478	9,513	1,421
License and permits	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	2,528	979	3,546	577
Total Revenues	4,058	5,457	13,059	1,998
Expenditures				
General government	-	-	-	-
Public safety	-	-	612	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	612	-
Revenues Over (Under) Expenditures	4,058	5,457	12,447	1,998
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	4,058	5,457	12,447	1,998
Beginning fund balances	51,696	18,063	68,988	11,216
Ending Fund Balances	$ 55,754	$ 23,520	$ 81,435	$ 13,214

See Notes to Financial Statements.

Local Municipal Jury	Cable Education	Transportation	Drainage	CARES Relief Act	Total Special Revenue Funds
$ -	$ 42,085	$ -	$ -	$ -	$ 220,902
178	-	-	-	-	32,718
-	-	-	-	-	368,834
-	-	525,273	233,563	-	758,836
-	-	-	-	-	132,843
-	3,674	21,664	-	-	238,999
178	45,759	546,937	233,563	-	1,753,132
-	42,602	-	-	-	303,532
-	-	-	-	-	246,188
-	-	-	2,687	-	2,687
-	-	-	-	-	1,262
-	-	-	-	283,093	283,093
-	42,602	-	2,687	283,093	836,762
178	3,157	546,937	230,876	(283,093)	916,370
-	-	-	-	-	58,447
-	-	(400,000)	(282,143)	-	(682,143)
-	-	(400,000)	(282,143)	-	(623,696)
178	3,157	146,937	(51,267)	(283,093)	292,674
468	92,532	490,581	(24,648)	1,174,482	5,981,278
$ 646	$ 95,689	$ 637,518	$ (75,915)	$ 891,389	$ 6,273,952

City of Lockhart, Texas

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECT FUNDS

September 30, 2025

	Clearfork Section 1 Sidewalk	Maple 2201 Trail Project	2015 Certificates of Obligation
Assets			
Cash and cash equivalents	$ 34,491	$ 15,000	$ 358,630
Total Assets	$ 34,491	$ 15,000	$ 358,630
Liabilities			
Accounts payable	$ -	$ -	$ 229,821
Accrued liabilities	-	-	40,553
Total Liabilities	-	-	270,374
Fund Balances			
Restricted for:			
Capital projects	34,491	15,000	88,256
Total Fund Balances	34,491	15,000	88,256
Total Liabilities and Fund Balances	$ 34,491	$ 15,000	$ 358,630

See Notes to Financial Statements.

Maple Street Park Improvements	Total
$ 20,000	$ 428,121
$ 20,000	$ 428,121
$ -	$ 229,821
-	40,553
-	270,374
20,000	157,747
20,000	157,747
$ 20,000	$ 428,121

City of Lockhart, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended September 30, 2025

	Clearfork Section 1 Sidewalk	Maple 2201 Trail Project	2015 Certificates of Obligation
Revenues			
Investment income	$ -	$ -	$ 34,284
Total Revenues	-	-	34,284
Expenditures			
Capital outlay	-	-	926,983
Total Expenditures	-	-	926,983
Net Change in Fund Balances	-	-	(892,699)
Beginning fund balances	34,491	15,000	980,955
Ending Fund Balances	$ 34,491	$ 15,000	$ 88,256

See Notes to Financial Statements.

Maple Street Park Improvements	Total
$ -	$ 34,284
-	34,284
-	926,983
-	926,983
-	(892,699)
20,000	1,050,446
$ 20,000	$ 157,747

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City of Lockhart, Texas

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

DEBT SERVICE FUND

For the Year Ended September 30, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property tax	$ 1,488,709	$ 2,160,480	$ 671,771
Intergovernmental revenue	24,300	24,255	(45)
Investment income	7,500	78,815	71,315
Total Revenues	1,520,509	2,263,550	743,041
Expenditures			
Debt service:			
Principal	1,062,118	1,332,622	(270,504)
Interest	597,819	332,560	265,259
Total Expenditures	1,659,937	1,665,182	(5,245) *
Revenues Over (Under) Expenditures	(139,428)	598,368	737,796
Other Financing Sources (Uses)			
Transfers in	378,663	378,663	-
Total Other Financing Sources (Uses)	378,663	378,663	-
Net Change in Fund Balances	$ 239,235	977,031	$ 737,796
Beginning fund balances		787,881	
Ending Fund Balances		$ 1,764,912	

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.

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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, 2025

	Business-Type Activities		
	Sanitation	**Airport**	**EMS**
Assets			
Current Assets			
Cash and cash equivalents	$ 285,581	$ 412,743	$ 600,013
Accounts receivable, net	395,540	500	15,921
Total Current Assets	681,121	413,243	615,934
Noncurrent Assets			
Capital assets:			
Non-depreciable	120,409	72,161	-
Net depreciable capital assets	49,475	1,052,961	-
Total Noncurrent Assets	169,884	1,125,122	-
Total Assets	851,005	1,538,365	615,934
Deferred Outflows of Resources			
Pension outflows-TMRS	24,049	-	-
OPEB outflows-TMRS	367	-	-
Total Deferred Outflows of Resources	24,416	-	-

See Notes to Financial Statements.

Business-Type Activities	
Total	
$	1,298,337
	411,961
	1,710,298
	192,570
	1,102,436
	1,295,006
	3,005,304
	24,049
	367
	24,416

City of Lockhart, Texas

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (Page 2 of 2)
September 30, 2025

	Business-Type Activities		
	Sanitation	Airport	EMS
Liabilities			
Current Liabilities			
Accounts payable	$ 162,431	$ 1,007	$ 1,502
Accrued liabilities	10,511	466	-
Customer deposits	150	4,950	-
Compensated absences, current	9,326	1,004	9,716
Lease payable, current	3,406	-	-
Total Current Liabilities	185,824	7,427	11,218
Noncurrent Liabilities			
Compensated absences, noncurrent	1,036	112	1,080
Net pension liability	75,536	-	-
OPEB liability-TMRS	9,034	-	-
OPEB liability-Retiree healthcare	6,966	-	-
Total Noncurrent Liabilities	92,572	112	1,080
Total Liabilities	278,396	7,538	12,297
Deferred Inflows of Resources			
Pension inflows-TMRS	10,029	-	-
OPEB inflows-TMRS	1,650	-	-
OPEB inflows-retiree healthcare	598	-	-
Total Deferred Inflows of Resources	12,277	-	-
Net Position			
Net investment in capital assets	166,478	1,125,122	-
Unrestricted	418,270	405,705	603,637
Total Net Position	$ 584,748	$ 1,530,827	$ 603,637

See Notes to Financial Statements.

Business-Type Activities Total
$ 164,940
10,977
5,100
20,045
3,406
204,468
2,227
75,536
9,034
6,966
93,763
298,231
10,029
1,650
598
12,277
1,291,600
1,427,612
$ 2,719,212

City of Lockhart, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the Year Ended September 30, 2025

	Business-Type Activities		
	Sanitation	**Airport**	**EMS**
Operating Revenues			
Charges for services	$ 2,161,692	$ 140,645	$ 444,833
Other revenue	28,290	-	76,364
Total Operating Revenues	2,189,982	140,645	521,197
Operating Expenses			
Personnel services	288,110	13,641	134,978
Supplies	10,057	-	-
Maintenance and repairs	1,923,257	66,688	18,194
Contractual services	10,512	20,112	75,627
Depreciation	18,371	55,849	31,512
Total Operating Expenses	2,260,424	156,290	260,311
Operating Income (Loss)	(70,442)	(15,645)	260,886
Nonoperating Revenues (Expenses)			
Gain(loss) on sale of assets	-	-	(169,741)
Investment earnings	24,245	17,730	13,265
Interest expense	(448)	-	-
Total Nonoperating Revenues (Expenses)	23,797	17,730	(156,476)
Income (Loss) Before Capital Contributions and Transfers	(46,645)	2,085	104,410
Capital Contributions and Transfers			
Capital grants	23,897	-	-
Transfers (out)	(321,509)	-	(150,000)
Total Capital Contributions and Transfers	(297,612)	-	(150,000)
Change in Net Position	(344,257)	2,085	(45,590)
Beg. net position, as previously reported	929,005	1,528,742	706,839
Error correction	-	-	(57,612)
Beginning net position, as adjusted	929,005	1,528,742	649,227
Ending Net Position	$ 584,748	$ 1,530,827	$ 603,637

See Notes to Financial Statements.

Business-Type Activities	
	Total
$	2,747,170
	104,654
	2,851,824
	436,729
	10,057
	2,008,139
	106,251
	105,732
	2,677,025
	174,799
	(169,741)
	55,240
	(448)
	(114,949)
	59,850
	23,897
	(471,509)
	(447,612)
	(387,762)
	3,164,586
	(57,612)
	3,106,974
$	2,719,212

City of Lockhart, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended September 30, 2025

	Business-Type Activities		
	Sanitation	**Airport**	**EMS**
Cash Flows from Operating Activities			
Payments to employees	$ (267,392)	$ (13,317)	$ (628,453)
Payments to suppliers	(1,933,685)	(86,558)	(295,943)
Receipts from customers	2,157,848	140,645	1,320,126
Net Cash Provided (Used) by Operating Activities	(43,229)	40,770	395,730
Cash Flows from Noncapital Financing Activities			
Transfers (out)	(321,509)	-	(150,000)
Net Cash Provided (Used) by Noncapital Financing	(321,509)	-	(150,000)
Cash Flows from Capital and Related Financing Activities			
Capital contributions	23,897	-	-
Principal paid on capital debt	(5,733)	-	-
Interest paid on capital debt	(448)	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	17,716	-	341,018
Cash Flows from Investing Activities			
Interest on investments	24,245	17,730	13,265
Net Cash Provided by Investing Activities	24,245	17,730	13,265
Net Increase (Decrease) in Cash and Cash	(322,777)	58,500	600,013
Beginning cash and cash equivalents	608,358	354,243	-
Ending Cash and Cash Equivalents	$ 285,581	$ 412,743	$ 600,013

See Notes to Financial Statements.

Business-Type Activities Total
$ (909,162)
(2,316,186)
3,618,619
393,271
(471,509)
(471,509)
23,897
(5,733)
(448)
358,734
55,240
55,240
335,736
962,601
$ 1,298,337

City of Lockhart, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2025

	Business-Type Activities		
	Sanitation	**Airport**	**EMS**
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	$ (70,442)	$ (15,645)	$ 260,886
Adjustments to reconcile operating income (loss) to net cash provided (used):			
Depreciation	18,371	55,849	31,512
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(32,234)	-	798,929
Deferred outflows:			
Pension	2,949	-	230,146
OPEB	(191)	-	1,497
Increase (Decrease) in:			
Accounts payable and accrued liabilities	30,271	242	(153,591)
Accrued interest	(10,013)	-	-
Due to other funds	-	-	(48,531)
Compensated absences	3,929	324	(16,417)
Deferred inflows:			
Pension	5,282	-	(40,461)
OPEB	249	-	(11,877)
Net pension liability	5,217	-	(599,435)
OPEB liability	3,283	-	(56,928)
Net Cash Provided (Used) by Operating Activities	$ (43,229)	$ 40,770	$ 395,730
Schedule of Non-Cash Capital and Related Financing Activities			
Lease issuance	$ 5,863	$ -	$ -

See Notes to Financial Statements.

Business-Type Activities
Total
$ 174,799
105,732
766,695
233,095
1,306
(123,078)
(10,013)
(48,531)
(12,164)
(35,179)
(11,628)
(594,218)
(53,645)
$ 393,271
$ 5,863

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COMBINING STATEMENTS
FIDUCIARY FUNDS

City of Lockhart, Texas

COMBINING STATEMENT OF FIDUCIARY NET POSITION

PRIVATE-PURPOSE TRUSTS

September 30, 2025

	Glosserman Trust	Brock Cabin Trust	Total
Assets			
Cash and cash equivalents	$ 641	$ 12	$ 653
Total Assets	$ 641	$ 12	$ 653
Net Position			
Restricted for:			
Various purposes	641	12	653
Total Net Position	$ 641	$ 12	$ 653

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, 2025

	Glosserman Trust	Brock Cabin Trust	Total
Additions			
Investment income	$ 30	$ -	$ 30
Total Additions	30	-	30
Net Change in Net Position	30	-	30
Beginning Net Position	611	12	623
Ending Net Position	$ 641	$ 12	$ 653

See Notes to Financial Statements.

City of Lockhart, Texas

COMBINING STATEMENT OF FIDUCIARY NET POSITION

CUSTODIAL FUNDS

September 30, 2025

	Confiscated Property	Unclaimed Property	Bicycle Helmet	Total
Assets				
Cash and cash equivalents	$ 49,183	$ 11,920	$ 2,310	$ 63,413
Prepaids	-	1,211	-	1,211
Total Assets	$ 49,183	$ 13,131	$ 2,310	$ 64,624
Liabilities				
Due to other funds	17,447	11,971	1,117	30,535
Total Liabilities	17,447	11,971	1,117	30,535
Net Position				
Restricted for:				
Various purposes	31,736	1,160	1,193	34,089
Total Net Position	$ 31,736	$ 1,160	$ 1,193	$ 34,089

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, 2025

	Confiscated Property	Unclaimed Property	Bicycle Helmet	Total
Additions				
Investment income	$ 2,243	$ -	$ 697	$ 2,940
Other revenue	720	21	-	741
Total Additions	2,963	21	697	3,681
Net Change in Net Position	2,963	21	697	3,681
Beginning Net Position	28,773	1,139	496	30,408
Ending Net Position	$ 31,736	$ 1,160	$ 1,193	$ 34,089

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 156

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

Revenue Capacity 167

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

Debt Capacity 186

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

Demographic and Economic Information 191

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

Operating Information 194

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

City of Lockhart, Texas

NET POSITION BY COMPONENT

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2016	2017	2018	2019
Governmental activities				
Net investment in capital assets	$ 15,001,030	$ 14,162,688	$ 13,774,228	$ 12,648,711
Restricted	1,093,907	1,141,195	1,396,101	1,571,133
Unrestricted	2,137,425	1,886,148	1,823,314	1,972,882
Total governmental activities net position	$ 18,232,362	$ 17,190,031	$ 16,993,643	$ 16,192,726
Business-type activities				
Net investment in capital assets	$ 15,074,665	$ 16,507,663	$ 16,961,238	$ 17,492,757
Restricted	1,071,089	1,163,687	1,421,535	1,661,480
Unrestricted	7,979,875	7,489,601	8,791,362	9,434,557
Total business-type activities net position	$ 24,125,629	$ 25,160,951	$ 27,174,135	$ 28,588,794
Primary government				
Net investment in capital assets	$ 30,075,695	$ 30,670,351	$ 30,735,466	$ 30,141,468
Restricted	2,164,996	2,304,882	2,817,636	3,232,613
Unrestricted	10,117,300	9,375,749	10,614,676	11,407,439
	$ 42,357,991	$ 42,350,982	$ 44,167,778	$ 44,781,520

(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.

2020	2021	2022	2023	2024	2025
$ 12,104,249	$ 11,816,033	$ 11,546,567	$ 17,776,524	$ 18,662,311	$ 24,274,707
1,603,237	3,598,451	3,362,595	6,072,719	7,465,102	8,857,884
3,557,222	3,915,790	7,463,394	7,537,491	10,291,023	4,604,889
$ 17,264,708	$ 19,330,274	$ 22,372,556	$ 31,386,734	$ 36,418,436	$ 37,737,480
$ 16,579,735	$ 15,721,677	$ 15,404,957	$ 19,452,608	$ 18,379,583	$ 19,697,554
2,034,582	2,008,737	2,626,781	5,182,714	8,202,139	9,540,244
8,506,993	6,885,849	6,709,920	7,675,992	6,822,467	4,853,477
$ 27,121,310	$ 24,616,263	$ 24,741,658	$ 32,311,314	$ 33,404,189	$ 34,091,275
$ 28,683,984	$ 27,537,710	$ 26,951,524	$ 37,229,132	$ 37,041,894	$ 43,972,261
3,637,819	5,607,188	5,989,376	11,255,433	15,667,241	18,398,128
12,064,215	10,801,639	14,173,314	15,213,483	17,113,490	9,458,366
$ 44,386,018	$ 43,946,537	$ 47,114,214	$ 63,698,048	$ 69,822,625	$ 71,828,755

City of Lockhart, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2016	2017	2018	2019
Governmental activities				
Expenses				
General government	$ 1,879,383	$ 2,083,166	$ 2,045,364	$ 2,232,343
Public safety	5,230,470	5,086,371	5,401,024	5,799,256
Public works	2,586,206	2,644,292	3,084,192	3,552,691
Health and welfare	17,068	22,137	16,326	18,250
Culture and recreation	933,135	1,006,038	1,077,697	1,041,842
Community development	-	-	-	-
Interest on long-term debt	621,121	459,629	441,769	415,242
Total governmental activities expenses	11,267,383	11,301,633	12,066,372	13,059,624
Program revenues				
Charges for services				
General government	191,100	181,313	223,254	601,870
Public safety	330,826	334,769	1,005,749	295,192
Public works	723,832	549,097	423,575	291,604
Health and welfare	-	-	-	-
Culture and recreation	33,926	32,699	37,991	29,589
Community development	-	-	-	-
Operating grants and contributions	615,542	202,393	566,039	579,539
Capital grants and contributions	-	-	278,000	96,263
Total program revenues	1,895,226	1,300,271	2,534,608	1,894,057
Total governmental activities net program expense	$ (9,372,157)	$ (10,001,362)	$ (9,531,764)	$ (11,165,567)
General Revenues and Other Changes in Net Position				
Taxes				
Property taxes, general	3,016,649	3,217,538	3,620,758	3,914,885
Property taxes, debt service	687,845	692,161	704,442	697,336
Sales taxes	1,478,065	1,549,695	1,650,931	1,767,048
Franchise taxes	316,353	312,433	357,278	360,589
Other taxes	132,234	96,529	106,756	111,841
Unrestricted investment earnings	59,851	99,353	190,320	283,700
Gain on sale of capital assets	-	-	-	-
Other revenue	239,590	289,291	192,281	184,509
Transfers	2,448,575	2,896,410	3,094,654	3,044,742
Total general revenues and other changes net position	8,379,162	9,153,410	9,917,420	10,364,650
Total governmental activities change in net position	$ (992,995)	$ (847,952)	$ 385,656	$ (800,917)

2020	2021	2022	2023	2024	2025
$ 2,455,580	$ 1,931,497	$ 1,967,143	$ 2,165,947	$ 2,383,519	$ 2,945,892
5,703,143	6,202,140	6,168,414	6,937,475	6,628,423	8,309,527
3,153,763	2,970,230	2,684,964	2,930,612	2,826,765	4,018,383
144,615	26,352	23,439	18,264	42,956	38,098
1,052,444	683,483	1,215,110	1,481,117	1,632,347	1,727,577
-	1,189,072	905,103	2,003,675	1,963,799	1,257,404
391,300	371,174	390,198	396,858	348,098	745,842
12,900,845	13,373,948	13,354,371	15,933,948	15,825,907	19,042,723
730,384	-	-	-	-	-
355,773	366,887	208,287	248,067	263,661	428,207
358,837	649,986	664,402	688,987	732,320	758,836
-	-	-	-	-	-
8,943	88,883	251,869	163,321	207,149	130,306
-	650,521	852,003	2,298,116	2,546,060	1,064,586
1,037,366	2,485,671	2,205,060	472,563	475,639	532,505
257,055	177,865	211,854	6,386,889	171,997	128,235
2,748,358	4,419,813	4,393,475	10,257,943	4,396,826	3,042,675
$ (10,152,487)	$ (8,954,135)	$ (8,960,896)	$ (5,676,005)	$ (11,429,081)	$ (16,000,048)
4,276,918	4,555,926	4,848,005	5,373,699	5,932,445	6,229,761
714,253	694,121	953,087	1,740,778	1,677,779	2,160,480
1,992,939	2,143,239	2,392,769	2,712,526	3,009,942	3,284,944
349,849	398,205	395,527	352,616	456,696	438,136
102,063	113,504	189,491	230,233	169,262	178,817
119,746	20,739	125,718	893,878	1,083,776	937,800
-	2,110	-	34,000	7,300	201
233,319	100,720	213,151	249,470	78,824	93,710
3,145,528	2,991,137	2,885,430	3,102,983	4,044,759	4,162,700
10,934,615	11,019,701	12,003,178	14,690,183	16,460,783	17,486,549
$ 782,128	$ 2,065,566	$ 3,042,282	$ 9,014,178	$ 5,031,702	$ 1,486,501

City of Lockhart, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2016	2017	2018	2019
Business-type activities				
Expenses				
Electric	$ 8,664,234	$ 8,722,211	$ 9,132,038	$ 9,242,068
Water	3,257,979	3,545,084	3,428,101	3,224,639
Wastewater	2,089,407	1,824,111	1,281,066	1,370,942
Sanitation	1,215,636	1,345,466	1,461,111	1,553,603
Airport	69,911	76,438	100,130	78,258
EMS	1,230,254	1,289,014	1,334,506	1,383,128
Total business-type expenses	16,527,421	16,802,324	16,736,952	16,852,638
Program revenues				
Charges for services				
Electric	10,974,720	11,444,388	12,238,369	12,193,929
Water	3,100,239	3,287,603	3,336,689	3,267,558
Wastewater	2,265,298	2,578,386	2,339,875	2,278,003
Sanitation	1,464,121	1,593,359	1,708,812	1,872,719
Airport	68,927	71,489	71,433	89,059
EMS	2,007,847	1,354,810	1,438,174	978,097
Operating grants and contributions	-	7,016	24,925	68,272
Capital grants and contributions	1,042,796	195,261	-	-
Total business-type program revenues	20,923,948	20,532,312	21,158,277	20,747,637
Total business-type activities net program expense	$ 4,396,527	$ 3,729,988	$ 4,421,325	$ 3,894,999
General revenues and other changes in net position				
Impact fees	263,817	83,585	244,561	195,808
Unrestricted investment earnings	61,357	118,159	236,101	368,594
Other revenue	-	-	23,598	-
Transfers	(2,448,575)	(2,896,410)	(3,094,654)	(3,044,742)
Total general revenues and other changes in net position	(2,123,401)	(2,694,666)	(2,590,394)	(2,480,340)
Total business-type activities change in net position	$ 2,273,126	$ 1,035,322	$ 1,830,931	$ 1,414,659
Total primary government change in net position	$ 1,280,131	$ 187,370	$ 2,216,587	$ 613,742

2020	2021	2022	2023	2024	2025
$ 8,564,816	$ 11,350,044	$ 9,978,485	$ 10,884,211	$ 11,167,367	$ 12,576,631
3,908,621	5,066,674	5,565,359	6,401,698	7,021,330	8,255,328
1,444,482	1,635,537	1,805,990	1,589,668	1,697,831	2,136,980
1,592,412	1,690,298	1,615,564	1,797,864	1,900,196	2,260,872
80,607	76,546	93,143	283,503	86,381	156,290
1,407,549	1,408,385	1,425,088	1,507,988	2,389,887	430,052
16,998,487	21,227,484	20,483,629	22,464,932	24,262,992	25,816,153
11,039,153	11,560,085	12,608,272	13,153,265	13,007,971	14,062,850
3,555,391	3,758,322	4,132,398	5,672,000	6,413,438	8,146,651
2,277,346	2,478,077	2,880,275	3,951,370	4,623,307	4,191,724
1,981,863	2,040,494	1,906,522	1,944,417	2,083,734	2,161,692
82,809	85,953	92,532	102,387	132,073	140,645
1,071,931	1,136,903	1,414,727	1,780,405	1,542,597	444,833
44,680	-	-	1,133,983	6,111	-
23,750	432,657	196,038	4,519,241	47,000	462,408
20,076,923	21,492,491	23,230,764	32,257,068	27,856,231	29,610,803
$ 3,078,436	$ 265,007	$ 2,747,135	$ 9,792,136	$ 3,593,239	$ 3,794,650
296,093	-	-	-	-	-
164,183	21,947	114,001	841,201	1,131,268	1,000,060
8,552	199,136	149,689	39,302	106,454	112,688
(3,145,528)	(2,991,137)	(2,885,430)	(3,102,983)	(4,044,759)	(4,162,700)
(2,676,700)	(2,770,054)	(2,621,740)	(2,222,480)	(2,807,037)	(3,049,952)
$ 401,736	$ (2,505,047)	$ 125,395	$ 7,569,656	$ 786,202	$ 744,698
$ 1,183,864	$ (439,481)	$ 3,167,677	$ 16,583,834	$ 5,817,904	$ 2,231,199

City of Lockhart, Texas

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2016	2017	2018	2019
General Fund				
Nonspendable				
Prepaid items	$ 15,728	$ 23,642	$ 37,870	$ 30,627
Inventory	13,699	11,272	11,563	13,572
Restricted	-	-	-	-
Committed	604,252	609,054	553,877	574,446
Unassigned	3,423,228	3,897,547	4,451,131	5,103,853
Total general fund	$ 4,056,907	$ 4,541,515	$ 5,054,441	$ 5,722,498
All Other Governmental Funds				
Nonspendable				
Prepaid items	$ 4,512	$ 680	$ 2,765	$ -
Restricted				
Debt service	278,089	285,621	240,674	203,016
Special revenue funds	-	-	-	-
General government	627,417	664,319	35,067	46,502
Public safety	180,153	206,068	227,044	206,600
Municipal court	-	-	-	-
Tourism	8,248	8,485	2,721	6,637
Public works	-	-	903,976	1,073,692
Various capital projects	6,792,536	5,160,201	4,531,457	3,437,195
Unassigned	-	-	-	(3,523)
Total all other governmental funds	$ 7,890,955	$ 6,325,374	$ 5,943,704	$ 4,970,119

2020	2021	2022	2023	2024	2025
$ 27,327	$ 610,955	$ 31,193	$ 24,887	$ 1,269,025	$ 13,998
9,350	17,718	26,240	1,285,605	16,319	57,607
-	234,613	2,671,686	1,628,105	1,725,044	1,646,996
308,539	309,050	311,949	330,202	349,932	366,675
6,673,086	6,506,302	7,838,447	9,138,171	11,065,775	6,843,781
$ 7,018,302	$ 7,678,638	$ 10,879,515	$ 12,406,970	$ 14,426,095	$ 8,929,057
$ -	$ -	$ -	$ 10,227	$ 16,050	$ 24,289
115,835	-	-	298,475	787,881	1,764,912
-	-	-	-	-	-
59,773	63,160	69,453	84,552	76,482	95,689
179,496	18,994	20,649	23,351	30,669	25,392
-	118,506	126,794	135,713	150,431	181,650
64,016	98,198	130,191	172,985	152,073	87,496
1,063,841	-	-	-	-	-
2,914,631	5,857,283	6,962,353	5,866,568	6,669,760	26,210,524
(323,955)	(87,431)	(138,743)	(26,966)	(63,741)	(190,488)
$ 4,073,637	$ 6,068,710	$ 7,170,697	$ 6,564,905	$ 7,819,605	$ 28,199,464

City of Lockhart, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2016	2017	2018	2019
Revenues				
Property taxes	$ 3,757,254	$ 3,971,301	$ 4,352,825	$ 4,676,453
Sales and other taxes	1,921,425	1,990,221	2,114,965	2,239,478
Franchise and local taxes				
Fines, fees and forfeitures	1,115,233	927,273	1,227,557	1,127,998
Licenses and permits	173,641	125,761	192,622	142,721
Charges for services	-	-	-	2,200
Intergovernmental and grants	184,438	202,393	458,624	554,354
Investment	59,851	99,353	190,320	283,700
Other revenue	550,390	288,003	323,296	275,443
Total revenues	7,762,232	7,604,305	8,860,209	9,302,347
Expenditures				
Current				
General government	1,853,485	1,847,858	1,933,687	2,107,937
Public safety	4,680,022	4,751,069	5,212,519	5,631,506
Public works	1,069,441	1,168,180	1,727,405	1,601,001
Health and welfare	12,138	17,207	11,396	13,320
Culture and recreation	834,815	890,047	949,731	912,739
Community development	-	-	-	-
Debt service				
Principal retirement	855,322	587,160	601,470	690,799
Interest and fiscal charges	566,342	500,948	483,207	456,409
Paying agent and issue costs	151,889	1,200	1,000	800
Capital outlay	1,589,287	1,818,019	828,872	1,238,106
Total expenditures	11,612,741	11,581,688	11,749,287	12,652,617
Excess (deficiency) of revenues over expenditures	(3,850,509)	(3,977,383)	(2,889,078)	(3,350,270)
Other financing sources (uses)				
Debt issued	4,887,402	-	-	-
Premium on issuance of bonds	593,157	-	-	-
Payment to escrow	(5,455,484)	-	-	-
Gain on sale of capital assets	-	-	-	-
Transfers in	3,451,810	3,440,098	3,688,600	3,796,267
Transfers out	(1,003,235)	(543,688)	(593,946)	(751,525)
Total other financing sources (uses)	2,473,650	2,896,410	3,094,654	3,044,742
Change in fund balances	$ (1,376,859)	$ (1,080,973)	$ 205,576	$ (305,528)
Debt service as a percentage of noncapital expenditures	14.68%	11.64%	10.42%	10.23%

2020	2021	2022	2023	2024	2025
$ 5,028,375	$ 5,274,506	$ 5,748,229	$ 7,010,249	$ 7,423,752	$ 8,440,315
2,444,852	2,143,239	2,392,769	2,712,526	3,009,942	3,284,944
	511,709	585,018	582,849	625,958	616,953
1,190,406	414,578	275,647	236,897	219,056	341,213
243,196	650,521	852,003	2,298,116	2,546,060	1,064,586
2,200	738,869	916,271	852,308	939,469	889,142
866,355	3,061,756	2,379,234	647,533	647,636	660,740
119,746	20,739	125,718	893,878	1,083,776	937,800
223,199	186,781	235,092	249,470	76,197	93,710
10,118,329	13,002,698	13,509,981	15,483,826	16,571,846	16,329,403
2,333,952	1,777,924	2,121,509	1,899,022	2,226,415	2,814,820
5,579,302	6,052,616	6,066,612	6,530,409	7,289,495	8,475,426
1,948,586	1,571,151	913,011	2,914,291	2,673,775	5,555,646
139,685	20,539	35,312	9,086	33,778	28,920
1,150,716	1,022,863	1,038,803	1,803,531	1,474,707	1,679,333
-	707,075	955,377	1,933,286	1,993,255	1,238,878
727,163	797,305	1,006,761	1,416,609	1,483,572	1,578,522
432,504	413,447	393,470	434,928	401,807	371,486
800	-	25,220	-	-	278,056
551,827	1,442,886	2,189,333	757,984	93,808	4,189,659
12,864,535	13,805,806	14,745,408	17,699,146	17,670,612	26,210,746
(2,746,206)	(803,108)	(1,235,427)	(2,215,320)	(1,098,766)	(9,881,343)
-	383,923	2,652,861	-	320,532	19,275,354
-	-	-	-	-	1,325,909
-	-	-	-	-	-
-	251,942	-	34,000	7,300	201
4,360,894	3,793,615	3,644,993	4,694,559	4,797,571	4,903,290
(1,215,366)	(802,478)	(759,563)	(1,591,576)	(752,812)	(740,590)
3,145,528	3,627,002	5,538,291	3,136,983	4,372,591	24,764,164
$ 399,322	$ 2,823,894	$ 4,302,864	$ 921,663	$ 3,273,825	$ 14,882,821
10.14%	9.79%	11.15%	12.48%	12.73%	10.93%

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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
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
2024	7,349,874	73,878	3,009,942	376,431	169,262	80,265	11,059,652
2025	8,342,169	98,146	3,284,944	375,080	178,817	63,056	12,342,212

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: Tax Exempt Real Property	Total Taxable Assessed Value Before Freeze
		Residential Property	Non-Residential Property				
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
2024	2023	875,957,477	1,077,096,310	82,319,610	54,258	587,380,672	1,448,046,983
2025	2024	945,689,893	1,215,196,144	87,623,500	37,473	558,287,270	1,690,259,740

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
(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	0.6354	4,484,372	700,459	5,184,831	100.00%
(160,899,077)	787,285,404	0.6354	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%
(220,920,340)	1,227,126,643	0.5348	6,562,673	921,166	7,483,840	100.00%
(254,383,243)	1,435,876,497	0.5093	7,312,919	997,288	8,310,207	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
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
2024	0.1026	0.4067	0.5093	0.9546	0.0158	0.0140	0.4390	0.0001	1.4235
2025	0.1428	0.4113	0.5541	0.9396	0.0170	0.0137	0.4390	0.0001	1.4094

SOURCE: Caldwell County Tax Office

City of Lockhart, Texas

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago (Unaudited)

2025

Taxpayer		Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Exeter 130 Cahill LP	$	22,125,000	1.31%
Wal-Mart Stores Texas LP		17,779,830	1.05%
Pilot-Legacy Stanton LLC		14,985,000	0.89%
Economy Realty LTD		12,909,440	0.76%
Sunchase Square Apartments LLC		10,565,329	0.63%
H E Butt Grocery		8,507,616	0.50%
LCRA Transmission Srvcs Corp		7,737,840	0.46%
Evergen Equity 30 LP		7,700,000	0.46%
Lockhart Village Partners LP		7,759,796	0.46%
PHX15 LLC		7,723,835	0.46%
	$	**117,793,686**	**6.97%**

2016

Taxpayer		Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Wal-Mart Stores Texas	$	7,198,110	1.39%
Economy Realty, LTD		6,987,720	1.35%
LCRA Transmission Svc. Corp		5,414,040	1.04%
H E Butt Grocery		4,886,480	0.94%
Dormae Products, Inc		4,419,890	0.85%
Lockhart DMA Housing LLC		4,258,000	0.82%
Lockhart Village Partners LP		3,122,191	0.60%
Tri-State Facilities Lockhart, LLC		2,521,220	0.49%
Green Acres Housing LLC		2,427,490	0.47%
Hirisers LLC		1,548,390	0.30%
	$	**42,783,531**	**8.25%**

SOURCE: Caldwell County Appraisal District

City of Lockhart, Texas

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten fiscal years

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collections within the Fiscal Year of the Levy	
				Amount	Percentage of Levy
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%
2024	7,497,410	(31,983)	7,465,427	7,179,863	96.17%
2025	8,304,453	(26,085)	8,278,368	8,047,397	97.21%

NOTES: Collections do not include penalty and interest.

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

SOURCE: Caldwell County Tax Office

Collections in Subsequent Years	Total Collections to Date		Uncollected Balance
	Amount	Percentage of Levy	
$ 76,116	$ 3,696,484	99.68%	$ 11,842
67,133	3,865,846	99.67%	12,721
95,363	4,321,373	99.72%	12,341
73,239	4,588,953	99.75%	11,585
104,447	4,986,015	99.67%	16,515
89,777	5,184,261	99.61%	20,174
95,472	5,715,678	99.44%	32,110
121,676	6,972,142	99.05%	66,811
144,813	7,324,676	98.11%	140,751
-	8,047,397	97.21%	230,971

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City of Lockhart, Texas

ELECTRIC PURCHASED AND CONSUMED

Last Ten fiscal years

Fiscal Year	KWH Electric Purchased	KWH Electric Consumed	KWH Electric Unbilled	Average Percent Unbilled	Total Direct Rate Electric	
					Base Rate	Usage Rate
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
2024	126,260,306	119,492,886	6,767,420	5%	11.32	0.0190
2025	129,576,009	125,708,322	3,867,687	3%	11.32	0.0190

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

City of Lockhart, Texas

ELECTRIC RATES

Last Ten fiscal years

	2016	2017	2018	2019	2020
Electric Rates (per KWH)					
Base Rate	$ 11.32	$ 22.20	$ 22.60	$ 23.10	$ 23.10
Electric Usage Rate					
0 - 1,200 kwh	0.01896	0.01896	0.02156	0.02156	0.02156
1,201 +	0.03250	0.03250	0.03510	0.03510	0.03510
+ all kwh	0.00225	0.00225	0.00225	0.00225	0.00225

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

2021	2022	2023	2024	2025
$ 23.10	$ 23.10	$ 23.10	$ 11.32	$ 11.32
0.02156	0.02156	0.02156	0.01896	0.01896
0.03510	0.03510	0.03510	0.03250	0.03250
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

2025

Customer	Type of Business	12-Month Electric Consumption per kWh	Percent of Total Billed
MTC/LockhartCorrectional Facility	Service	3,650,640	2.85%
H.E.B. Stores	Retail	2,596,000	2.03%
Lockhart High School	Public School	2,538,850	1.98%
Pure Castings	Manufacturing	1,580,250	1.23%
Caldwell County	Government	1,116,535	0.87%
Bluebonnet Elementary	Public School	1,093,200	0.85%
G.B.R.A.	Service	1,212,330	0.95%
Poco Loco, LLC	Retail	1,042,400	0.81%
Arco Murray Construction	Construction	1,042,500	0.81%
Livingood Feeds	Retail	960,001	0.75%

2016

Customer	Type of Business	12-Month Electric Consumption per kWh	Percent of Total Billed
MTC/LockhartCorrectional Facility	Service	4,233,520	4.06%
H.E.B. Stores	Retail	2,518,000	2.42%
Livingood Feeds	Retail	1,283,700	1.23%
Caldwell County Annex	Government	1,157,400	1.11%
Dormae/Serta Products	Production	1,104,000	1.06%
G.B.R.A.	Service	1,055,760	1.01%
Pinnacle Health	Healthcare	900,960	0.86%
Lockhart High School	Public School	896,450	0.86%
Caldwell County	Government	847,800	0.81%
Bluebonnet Elementary	Public School	698,100	0.67%

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
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
2024	651	582	69	11%	529
2025	683	611	179	26%	574

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
22.60	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
27.45	4.86	19.18	5.77
37.05	6.56	19.75	5.94

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City of Lockhart, Texas

TEN LARGEST WATER CUSTOMERS

Current Year and Nine Years Ago (Unaudited)

2025

Customer	Type of Business	12-Month Water Consumption	Percent of Total Billed
MTC/Lockhart Correctional Facility	Private Public Safety	46,724	8.06%
The Ziegenfelder Company Inc.	Manufacturing	13,649	2.36%
Southpark Village	Housing	12,523	2.16%
Lockhart Farms, Lp	Housing	10,189	1.76%
Lockhart Nursing & Rehab	Healthcare	5,954	1.03%
Pilot-Legacy Stanton, LLC	Housing	5,831	1.01%
Sunchase Square Apartments	Housing	5,196	0.90%
D.R. Horton Homes	Construction	4,916	0.85%
Federal Housing	Housing	4,733	0.82%
Lockhart Intermediate School	Public School	4,730	0.82%

2016

Customer	Type of Business	12-Month Water Consumption	Percent of Total Billed
MTC/Lockhart Correctional Facility	Private Public Safety	61,606	13.00%
Caldwell County	Government	9,067	1.91%
Wal-Mart Store	Retail	6,687	1.41%
Pinnacle Health Facility	Healthcare	4,213	0.89%
Federal Housing	Housing	4,154	0.88%
Lockhart High School Track	Public School	2,817	0.59%
Brite & Shiny Carwash	Service	2,573	0.54%
Meadow Park Village	Housing	2,475	0.52%
MLM Quilloy Properties, LLC	Construction	1,927	0.41%
Comfort Suites	Hotel	1,746	0.37%

City of Lockhart, Texas

WATER AND SEWER RATES

Last Ten Fiscal Years

	2016	2017	2018	2019
Water Rates (per 2,000 gallons)				
Base Rate	$ 22.10	$ 22.10	$ 22.60	$ 23.10
Water Usage Rate				
2,001-6,000	3.90	3.90	4.50	4.80
6,001-8,000	4.15	4.15	4.75	5.05
8,001-10,000	4.40	4.40	5.00	5.30
>10,001	5.15	5.15	5.75	6.05
Sewer Rates (per 2,000 gallons)				
Base Rate	15.51	15.51	15.51	15.51
Sewer Usage Rate				
>2,000	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.

2020	2021	2022	2023	2024	2025
$ 23.60	23.60	23.60	25.89	27.45	37.05
4.80	4.80	4.80	4.58	4.86	6.56
5.05	5.05	5.05	5.73	6.07	8.19
5.30	5.30	5.30	6.64	7.04	12.29
6.05	6.05	6.05	7.33	7.77	18.43
15.51	15.51	15.51	17.92	19.18	19.75
4.67	4.67	4.67	5.40	5.77	5.94

City of Lockhart, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

	Governmental Activities						Business-type Activities	
Fiscal Year	Certificates of Obligation	General Obligation Bonds	Tax Notes	Lease Liabilities	SBITA Liabilities	Plus: Issuance Premiums	Certificates of Obligation	General Obligation Bonds
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	151,988	466,738	7,397,775	1,239,126
2023	5,944,595	3,120,828	2,025,086	399,301	140,142	405,227	6,950,407	1,049,168
2024	5,548,135	2,548,302	1,708,666	534,607	127,202	343,716	6,486,867	856,696
2025	24,090,540	1,953,324	1,383,617	623,160	113,103	1,602,589	6,004,462	656,674

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
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	71,669,266	18.3%	4,984
100,835	2,021,112	41,955,000	1,494,914	274,728	65,881,343	15.8%	4,396
25,850	1,840,710	40,875,000	1,261,334	242,466	62,399,551	14.1%	4,074
25,824	1,655,797	39,770,000	1,021,384	210,206	79,110,680	14.1%	4,255

City of Lockhart, Texas

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding: Certificates of Obligation	General Obligation Bonds	Tax Notes	Plus: Issuance Premiums	Total	Debt Service Monies Available	Net Bonded Debt
2016	9,381,395	4,887,402	-	835,806	15,104,603	362,919	14,741,684
2017	8,794,235	4,887,052	-	774,293	14,455,580	278,089	14,177,491
2018	8,192,765	4,887,052	-	712,782	13,792,599	285,621	13,506,978
2019	7,707,775	4,681,243	-	651,271	13,040,289	240,674	12,799,615
2020	7,208,875	4,452,980	-	589,760	12,251,615	203,016	12,048,599
2021	6,691,415	4,224,718	-	528,249	11,444,382	115,835	11,328,547
2022	6,327,225	3,685,870	2,330,000	466,738	10,479,833	-	10,479,833
2023	5,944,595	3,120,828	2,025,086	405,227	9,470,650	298,476	9,172,174
2024	5,548,135	2,548,302	1,708,666	343,716	8,440,153	787,882	7,652,271
2025	24,090,540	1,953,324	1,383,617	1,602,589	27,646,453	1,764,913	25,881,540

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
2.84%	1,162
2.66%	1,117
2.21%	1,064
2.10%	919
1.80%	865
1.55%	814
1.24%	729
0.97%	638
0.53%	500
1.53%	1,392

City of Lockhart, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2025(Unaudited)

	Gross Debt Outstanding		Percentage Applicable to City	Amount Applicable to City
	Date	Amount		
Direct Debt:				
City of Lockhart	9/30/2025	$ 29,766,333	100.00%	$ 29,766,333
Overlapping Debt:				
Austin CCD	9/30/2025	657,685,000	0.41%	2,696,509
Caldwell County	9/30/2025	66,190,000	28.76%	19,036,244
Lockhart Independent School District	9/30/2025	206,374,856	40.83%	84,262,854
Total Overlapping Debt		930,249,856		105,995,606
Total		$ 960,016,189		$ 135,761,939

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

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

SOURCE: Municipal Advisory Council of Texas

City of Lockhart, Texas

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years (Unaudited)

Fiscal Year	(1) Population	Personal Income	(2) Per Capita Personal Income	(3) School Enrollment	(4) Unemployment Rate
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%
2024	15,318	443,548,008	28,956	6,768	3.4%
2025	18,591	561,596,928	30,208	6,850	1.5%

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) Per Capita Personal Income based on U.S. Census Bureau

(3) Lockhart Independent School District

(4) Texas Workforce Commission. Labor Force Statistics for Texas Counties

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City of Lockhart, Texas

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2025

Employer	Employees	Percentage of Total City Employment
Lockhart ISD	790	7.73%
Walmart	225	2.20%
MTC (Lockhart Correctional)	175	1.71%
H.E.B Food Store	170	1.66%
Pegasus School, Inc	145	1.42%
City of Lockhart	140	1.37%
Fashion Glass & Mirror	102	1.00%
RealCold	100	0.98%
Ziegenfelder	75	0.73%
Pure Castings Company	75	0.73%
	1,997	19.55%

2016

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

* 2016 information was not available. 2012 comparative information has been presented.

City of Lockhart, Texas

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

Last Ten Fiscal Years

	2016	2017	2018	2019	2020
Function/Program					
General government					
City manager	4.0	4.0	5.0	5.0	5.0
City secretary	1.0	1.0	1.0	1.0	1.0
Finance	5.0	5.0	4.0	5.0	5.0
Municipal court	5.0	4.0	4.0	4.0	4.0
Library	10.0	9.0	9.0	9.0	9.0
Parks and recreation	7.0	7.0	7.0	8.0	8.0
Code enforcement	3.0	3.0	3.0	3.0	3.0
Planning and development	4.0	4.0	4.0	4.0	4.0
Public safety					
Police	25.0	28.0	30.0	29.0	27.0
Communications	9.0	9.0	10.0	9.0	9.0
Fire	18.0	15.0	14.0	14.0	13.0
Public works					
Public works	3.0	3.0	2.0	2.0	2.0
Animal control	8.0	8.0	8.0	7.0	6.0
Garage	3.0	3.0	3.0	3.0	3.0
Streets	13.0	12.0	12.0	12.0	12.0
Electric					
Utility billing	6.0	5.0	6.0	6.0	6.0
Utility distribution	9.0	9.0	8.0	9.0	9.0
Water/wastewater					
Water operations	5.0	5.0	5.0	6.0	6.0
Sewer operations	3.0	3.0	4.0	3.0	3.0
Sanitation					
Operations	2.0	2.0	2.0	2.0	2.0
Recycle					
Economic Development	1.0	2.0	2.0	2.0	2.0
EMS	-	-	-	-	-
Total	144	141	143	143	139

2021	2022	2023	2024	2025
4.0	4.0	4.0	4.0	3.0
1.0	1.0	1.0	1.0	1.0
5.0	5.0	5.0	4.0	5.0
4.0	3.0	3.0	2.0	2.0
6.0	6.0	6.0	6.0	6.0
8.0	9.0	5.0	9.0	9.0
3.0	3.0	3.0	5.0	5.0
4.0	4.0	4.0	3.0	3.0
29.0	31.0	22.0	27.0	26.0
10.0	10.0	7.0	6.0	9.0
13.0	15.0	14.0	17.0	15.0
2.0	2.0	2.0	2.0	2.0
6.0	7.0	6.0	8.0	8.0
4.0	4.0	4.0	4.0	3.0
12.0	12.0	10.0	10.0	10.0
6.0	6.0	6.0	5.0	8.0
9.0	10.0	8.0	9.0	9.0
6.0	5.0	5.0	5.0	5.0
4.0	4.0	2.0	3.0	4.0
2.0	2.0	1.0	2.0	2.0
1.0	1.0	1.0	1.0	1.0
2.0	2.0	0.0	1.0	2.0
-	-	-	15	13
141	146	119	149	151

City of Lockhart, Texas

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019
General government				
Building permits issued	647	495	444	542
Building inspections conducted	1,613	1,716	2,179	2,282
Public safety				
Police				
Physical arrests	628	596	934	862
Traffic violations	2,149	3,251	5,708	6,281
Fire				
Fire calls	1,386	1,501	1,356	1,406
Public works				
Streets (miles)	65	65	65	66
Culture and recreation				
Parks and recreation				
Park rental	91	107	73	85
Swimming pool				
Single admissions	8,554	8,289	6,883	6,596
Party rentals	50	34	32	33
Electric				
New connections	9	11	18	23
Average daily consumption (kwh)	279,093	287,659	313,552	312,646
Water and wastewater				
Water				
New connections/taps	139	56	78	61
Average daily consumption	1.26 mgd	1.18 mgd	1.32 mgd	1.26 mgd
Peak daily consumption	2.075 mgd	2.118 mgd	2.263 mgd	2.160 mgd
Wastewater				
Average daily sewage treatment	1.34 mgd	1.24 mgd	1.09 mgd	1.00 mgd
EMS				
Ambulance loads	2,989	3,106	3,207	3,199

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.

2020	2021	2022	2023	2024	2025
839	1,339	2,296	4,197	2,501	2,321
1,703	2,845	4,959	15,597	18,434	14,278
451	469	455	408	622	519
4,041	4,480	4,091	3,711	3,867	5,337
1,361	1,388	1,652	1,717	1,764	1,804
100	124.5	124.5	124.5	124.5	141.5
32	58	85	109	106	110
-	8,279	8,973	4,822	7,885	7,794
-	30	46	20	40	50
49	125	616	805	983	694
307,607	297,326	306,687	321,692	327,378	362,231
50	111	144	502	551	180
1.305 mgd	1.296 mgd	1.425 mgd	1.604 mgd	1.590 mgd	1.852 mgd
2.200 mgd	2.500 mgd	2.100 mgd	2.895 mgd	2.620 mgd	2.421 mgd
1.02 mgd	1.13 mgd	1.04 mgd	1.06 mgd	1.446 mgd	1.103 mgd
3,188	3,479	3,350	3,605	3,605	3,605

City of Lockhart, Texas

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2016	2017	2018	2019
Function/Program				
Public safety				
Police				
Stations	1	1	1	1
Patrol units	22	26	28	29
Fire stations	1	1	1	2
Highways and streets				
Streets (miles)	64.7	65.2	65.2	65.9
Streetlights	1,838	1,838	1,844	1,856
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	80	80
Number of distribution stations	2	2	2	2
Capacity sold (MwH)	101,869	104,995	114,447	114,116
Water and wastewater				
Water				
Water mains (miles)	87.4	92.1	92.1	93.7
Fire hydrants	675	685	700	729
Storage capacity	1.05 mgd	1.05 mgd	1.05 mgd	1.05 mgd
Wastewater				
Sanitary sewers (miles)	76	76	78	79
Storm sewers (miles)	0	0	0	0
Treatment capacity	2.6 mgd	2.6 mgd	2.6 mgd	2.6 mgd

2020	2021	2022	2023	2024	2025
1	1	1	1	1	1
26	31	31	31	34	342
2	2	2	2	2	2
100.0	124.5	124.5	124.5	124.5	141.5
1,856	1,856	1,872	1,872	1,881	1,880
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	82	82	82	84	84
2	2	2	2	2	2
112,276	107,243	111,941	117,418	117,295	128,131
100.0	100.5	100.5	105.8	105.8	105.8
721	721	721	877	892	979
1.05 mgd	1.55 mgd	1.55 mgd	1.55 mgd	1.55 mgd	1.55 mgd
80.6	80.8	80.8	85.8	85.8	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: April 21, 2026

AGENDA ITEM CAPTION: Presentation and discussion of the Lockhart Freedom Act first quarterly report for 2026.

ORIGINATING DEPARTMENT AND CONTACT: Police - Gary Williamson

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: The Lockhart Police Department continues to implement sections of the Lockhart Freedom Act that are not in conflict with state and federal law. These include evidence handling protocols (Section 12.06), codification of officer discretion in low-level marijuana cases (Section 12.10), and public transparency through quarterly reporting (Section 12.12).

This first quarterly report for 2026 provides data on LPD enforcement activity related to minor marijuana possession during the most recent reporting period. Included in this report are:

- Total number of misdemeanor marijuana-related arrests and citations issued,
- Estimated personnel time devoted to enforcement of these cases,
- Demographic breakdowns (age, gender, race, and ethnicity) of individuals cited or arrested.

This report builds upon the City's efforts to promote accountability, transparency, and informed decision-making.

PROJECT SCHEDULE (if applicable): N/A.

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION: Acknowledged receipt of previous quarterly reports.

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Acknowledge receipt of first quarterly report of 2026.

LIST OF SUPPORTING DOCUMENTS: Misdemeanor Marijuana Enforcement (Jan 1, 2026 to Mar 31, 2026)

MISDEMEANOR MARIJUANA ENFORCEMENT

(Arrests & Citations)

Jan 1, 2026 to Mar 31, 2026

				SUSPECT DESCRIPTION				
DATE	**CASE NUMBER**	**ARREST/CITATION**	**CHARGE**	**AGE**	**GENDER**	**RACE**	**ETHNICITY**	**EST. MINUTES**
2/24/2026	2026020097	Arrest#*	POM<2oz	18	M	W	H	75 mins.

SCHOOLS:

1/6/2026	2026010024	Admin Juv Prob	POM<2oz Drug Free Zone	14	M	W	H	78 mins.
1/7/2026	2026010026	Admin Juv Prob	POM<2oz Drug Free Zone	15	M	W	H	60 mins.
1/23/2026	2026010091	Admin Juv Prob	POM<2oz Drug Free Zone	15	M	W	H	98 mins.
1/23/2026	2026010093	Admin Juv Prob	POM<2oz Drug Free Zone	15	M	W	H	42 mins.
1/27/2026	2026010105	Admin Juv Prob	POM<2oz Drug Free Zone	15	M	W	H	69 mins.
1/27/2026	2026010106	Admin Juv Prob	POM<2oz Drug Free Zone	15	M	W	H	51 mins.
1/27/2026	2026010107	Admin Juv Prob	POM<2oz Drug Free Zone	14	M	W	H	52 mins.
1/29/2026	2026010115	Admin Juv Prob	POM<2oz Drug Free Zone	15	M	W	H	37 mins.
1/30/2026	2026010117	Arrest	POM<2oz Drug Free Zone	18	M	W	H	65 mins.
2/5/2026	2026020017	Arrest	POM<2oz Drug Free Zone	17	M	W	H	42 mins.
2/10/2026	2026020039	Admin Juv Prob	POM<2oz Drug Free Zone	15	M	W	H	30 mins.
2/11/2026	2026020041	Admin Juv Prob	POM<2oz Drug Free Zone	15	M	W	H	25 mins.
2/11/2026	2026020043	Admin Juv Prob	POM<2oz Drug Free Zone	14	M	W	H	28 mins.
2/17/2026	2026020065	Admin Juv Prob	POM<2oz Drug Free Zone	15	M	W	H	47 mins.
2/18/2026	2026020073	Admin Juv Prob	POM<2oz Drug Free Zone	16	M	W	H	26 mins.
2/23/2026	2026020091	Admin Juv Prob	POM<2oz Drug Free Zone	14	M	W	H	35 mins.
3/25/2026	2026030087	Admin Juv Prob	POM<2oz Drug Free Zone	14	M	W	H	45 mins.

* - Possession of marijuana along with other illegal narcotics.

^ - Possession of Drug Paraphernalia citation in lieu of arrest for Possession of Marijuana.

- Possession of marijuana along with other crimes.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: April 21, 2026

AGENDA ITEM CAPTION: Discuss the 2nd Quarter Fiscal Year 2026 Investment Report.

ORIGINATING DEPARTMENT AND CONTACT: Finance - Keeli Michna

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: The Texas Public Funds Investment Act requires local governments to review and accept the quarterly investment reports for each quarterly reporting period of the fiscal year. The 2nd Quarter Investment Report of Fiscal Year End (FYE) 2026, ending March 31, 2026 is presented for your review and acceptance.

PROJECT SCHEDULE (if applicable):

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends a motion to accept the 2nd Quarter Investment Report for FYE 2026.

LIST OF SUPPORTING DOCUMENTS: FYE 2026 2nd Quarter Report

CITY OF LOCKHART

Quarterly Investment Report
For the Quarter Ended March 31, 2026

April 21, 2026

CITY of LOCKHART

Quarterly Investment Report

For the Quarter Ended March 31, 2026

This report is presented in accordance with the Texas Government Code, Title 10, Chapter 2256, Public Funds Investment; Section 2256.023 known as the "Public Funds Investment Act". Attached is a detailed City of Lockhart investment report for the period January 1, 2026 through March 31, 2026. The Investment Portfolio Summary reports the beginning and ending book values and market values for the quarterly reporting period as follows:

	Investment Portfolio	
	Book Value	**Market Value**
January 1, 2026		
Cash	727,507	727,507
Marketable Securities	0	0
Investment Pools	56,117,778	56,130,123
Certificates of Deposits	0	0
Total:	**56,845,285**	**56,857,631**
March 31, 2026		
Cash	547,188	547,188
Marketable Securities	0	0
Investment Pools	58,576,635	57,186,641
Certificates of Deposits	0	0
Total:	**59,123,822**	**57,733,829**

	Fund Availabilty	
January 1, 2026		
Unrestricted Funds	2,440,885	2,440,885
Restricted Funds	54,404,400	54,416,746
Total Funds	**56,845,285**	**56,857,631**
March 31, 2026		
Unrestricted Funds	5,297,397	5,297,397
Restricted Funds	53,826,425	52,436,432
Total Funds	**59,123,822**	**57,733,829**

The investment portfolio, at all times during the quarter, complied with the Public Funds Investment Act and the City of Lockhart Investment Policy. TexPool, Texas CLASS and TexSTAR were also in compliance with the Public Funds Investment Act and the City of Lockhart Investment Policy throughout the quarter.

Joseph Resendez
City Manager

Keeli Michna
Finance Director

CITY of LOCKHART

Investment Portfolio Summary

For the Quarter Ended March 31, 2026

	March 31, 2026			
	9/30/2024	% of Total	Market Value	% of Total
January 1, 2026				
Cash	727,507	1.3%	727,507	1.3%
Marketable Securities	0	0.0%	0	0.0%
Investment Pools	56,117,778	98.7%	56,130,123	98.7%
Certificates of Deposits	0	0.0%	0	0.0%
Portfolio Total	**56,845,285**	**100.0%**	**56,857,631**	**100.0%**
March 31, 2026				
Cash	547,188	0.9%	547,188	0.9%
Marketable Securities	0	0.0%	0	0.0%
Investment Pools	58,576,635	99.1%	57,186,641	99.1%
Certificates of Deposits	0	0.0%	0	0.0%
Portfolio Total	**59,123,822**	**100.0%**	**57,733,829**	**100.0%**
Change in Value				
Cash	(180,320)		(180,320)	
Marketable Securities	0		0	
Investment Pools	2,458,857		1,056,518	
Certificates of Deposits	0		0	
Portfolio Total	**2,278,537**		**876,198**	
	0			

Maturity Data	Book Value @ 3/31/2026	Weighted Average Maturity	Yield to Maturity
Cash	547,188	0 Days	1.00%
Marketable Securities	0	0 Days	0.00%
Investment Pools - Texas CLASS	21,818,438	49 Days *	3.81%
Investment Pools - TexPool	18,275,007	44 Days *	3.67%
Investment Pools - TexSTAR	17,095,755	36 Days *	3.68%
Certificates of Deposits	0	0 Days	0.00%
	57,736,388	43 Days	3.70%

Benchmark - 6 Week Treasury Bills - Secondary Market @ March 31, 2026 3.71%

* Weighted Average Maturity of Pool Investments - City funds are available from pools upon request.

Total Return On Investment	Interest Earned
Cash	3,263
Marketable Securities	0
Investment Pools - Texas CLASS	204,761
Investment Pools - TexPool	150,242
Investment Pools - TexSTAR	154,649
Certificates of Deposits	0
Total Return on Investment	512,916

CITY OF LOCKHART

Cash Accounts (as reconciled to FLNB)

For the Quarter Ended March 31, 2026

General Operating Account - FLNB		
		Value
January 1, 2026	$	727,507
Deposits		14,548,410
Withdrawals		(14,731,993)
Interest Earned		3,263
March 31, 2026	$	547,188

Total Cash Accounts		
		Value
January 1, 2026	$	727,507
Deposits		14,548,410
Withdrawals		(14,731,993)
Interest Earned		3,263
March 31, 2026	$	547,188

CITY of LOCKHART
Marketable Securities Transaction Summary
For the Quarter Ended March 31, 2026

Type of Security	CUSIP	Purchase Date	Par Value	Coupon 0.34%	Date of Maturity	Yield to Maturity	Purchase Price	Quarterly Interest Earned	Beginning Value @ Par	Beginning Book Value	Beginning Market Value	Ending Value @ Par	Ending Book Value	Ending Market Value
									January 1, 2026			March 31, 2026		
								-						0
								-						0
Totals			$ -				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Purchases

Type of Security	CUSIP	Purchase Date	Par Value	Coupon Rate	Date of Maturity	Yield to Maturity	Settlement Total	Price	Accrued Interest
Totals			$ -				$ -		$ -

Maturities

	Purchase Date	Par Value	Coupon Rate	Date of Maturity	Yield to Maturity	Settlement Total
$ -						
Totals		$ -	0.59%			$ -

CITY OF LOCKHART

Investment Pool Transactions Summary

For the Quarter Ended March 31, 2026

TexPool - City of Lockhart					
	Book Value	Market Value	Net Asset Value	Weighted Aver. Maturity	Average Monthly Yield
January 1, 2026	17,562,995	17,566,859	1.000220	35 Days	3.8300%
Deposits	6,100,000				
Withdrawals	(5,538,230)				
Interest Earned	150,242				
March 31, 2026	18,275,007	18,274,276	0.999960	44 Days	3.6700%

Texas CLASS					
	Book Value	Market Value	Net Asset Value	Weighted Aver. Maturity	Average Monthly Yield
January 1, 2026	21,613,676	21,617,702	1.000186	45 days	4.3507%
Deposits	0				
Withdrawals	0				
Interest Earned	204,761				
March 31, 2026	21,818,438	21,815,293	0.999856	49 days	3.8110%

TexSTAR					
	Book Value	Market Value	Net Asset Value	Weighted Aver. Maturity	Average Monthly Yield
January 1, 2026	16,941,106	16,945,562	1.000263	43 Days	3.8246%
Deposits	0				
Withdrawals	0				
Interest Earned	154,649				
March 31, 2026	17,095,755	17,097,072	1.000077	36 Days	3.6770%

(*) Feburary 28, 2026

Total of All Pools		
	Book Value	Market Value
January 1, 2026	57,505,212	57,517,862
Deposits	6,100,000	
Withdrawals	(5,538,230)	
Interest Earned	509,653	
March 31, 2026	58,576,635	57,186,641

CITY of LOCKHART
Certificates of Deposit Transaction Summary
For the Quarter Ended March 31, 2026

Holdings During the Quarter

CD Number	Holder	Purchase Date	Face Value	Interest Rate	Date of Maturity	Yield to Maturity	Purchase Price	Quarterly Interest Earned	Beginning Face Value January 1, 2026	Beginning Market Value January 1, 2026	Ending Face Value March 31, 2026	Ending Market Value March 31, 2026
			$ -				$ -	$ -	$ -	$ -	$ -	$ -

Purchases

CD Number	Holder	Purchase Date	Face Value	Interest Rate	Date of Maturity	Yield to Maturity	Purchase Price
			$ -				$ -

Maturities

CD Number	Holder	Purchase Date	Face Value	Interest Rate	Date of Maturity	Yield to Maturity	Settlement Total
			$ -				$ -

City of Lockhart

Investment Pools

Standard and Poor's Ratings

Month	TexPool	TexSTAR	Texas CLASS
April-25	AAAm	AAAm	AAAm
May-25	AAAm	AAAm	AAAm
June-25	AAAm	AAAm	AAAm
July-25	AAAm	AAAm	AAAm
August-25	AAAm	AAAm	AAAm
September-25	AAAm	AAAm	AAAm
October-25	AAAm	AAAm	AAAm
November-25	AAAm	AAAm	AAAm
December-25	AAAm	AAAm	AAAm
January-26	AAAm	AAAm	AAAm
February-26	AAAm	AAAm	AAAm
March-26	AAAm	AAAm	AAAm

City of Lockhart

Bank Collateralization

Standard and Poor's Ratings

Month			FLNB Collateralization *
April-25			AAA
May-25			AAA
June-25			AAA
July-25			AAA
August-25			AAA
September-25			AAA
October-25			AAA
November-25			AAA
December-25			AAA
January-26			AAA
February-26			AAA
March-26			AAA

* Guaranteed by US government (AAA)

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: April 21, 2026

AGENDA ITEM CAPTION: Discuss Mid-Year Financial Report for FYE 2026.

ORIGINATING DEPARTMENT AND CONTACT: Finance -

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: In an effort to keep the City Council updated and informed on the City of Lockhart's budget, a mid-year financial status report is presented that focuses on financial and operational performance and provides updates on revenues and expenditures for the remainder of the fiscal year. This financial management practice is recommended by the Government Finance Officers Association (GFOA).

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: FYE 2026 - Mid-Year Financial Report

Lockhart Financial Focus

Oct. 2025 – Mar. 2026

Mid-Year of FYE 2026

GENERAL FUND REVENUES
THROUGH THE 2ND QUARTER (50% OF BUDGET)

- **Property Tax revenues are at 106% of the FYE 2026 budget.** The majority of property tax revenues are collected in December and January of the fiscal year. The budget for this revenue category assumes a conservative collection rate for property taxes. Exceeding the budget reflects a higher than anticipated collection rate.

- **Sales Tax revenues are at 50% of the FYE 2026 budget.** Sales tax deposits are received by the City two months after they are remitted to the State Comptroller; January, February, and March deposits reflect sales from the preceding November, December, January, respectively. The City imposes a 1.5% tax rate on retail sales within the city limits with 1% allocated to the City's General Fund and 0.5% allocated to the Lockhart Economic Development Corporation (LEDC).

- **License and Permit revenues are at 39% of the FYE 2026 budget.** Staff anticipates this revenue category to realign with projections once additional phases of new residential and commercial developments begin construction.

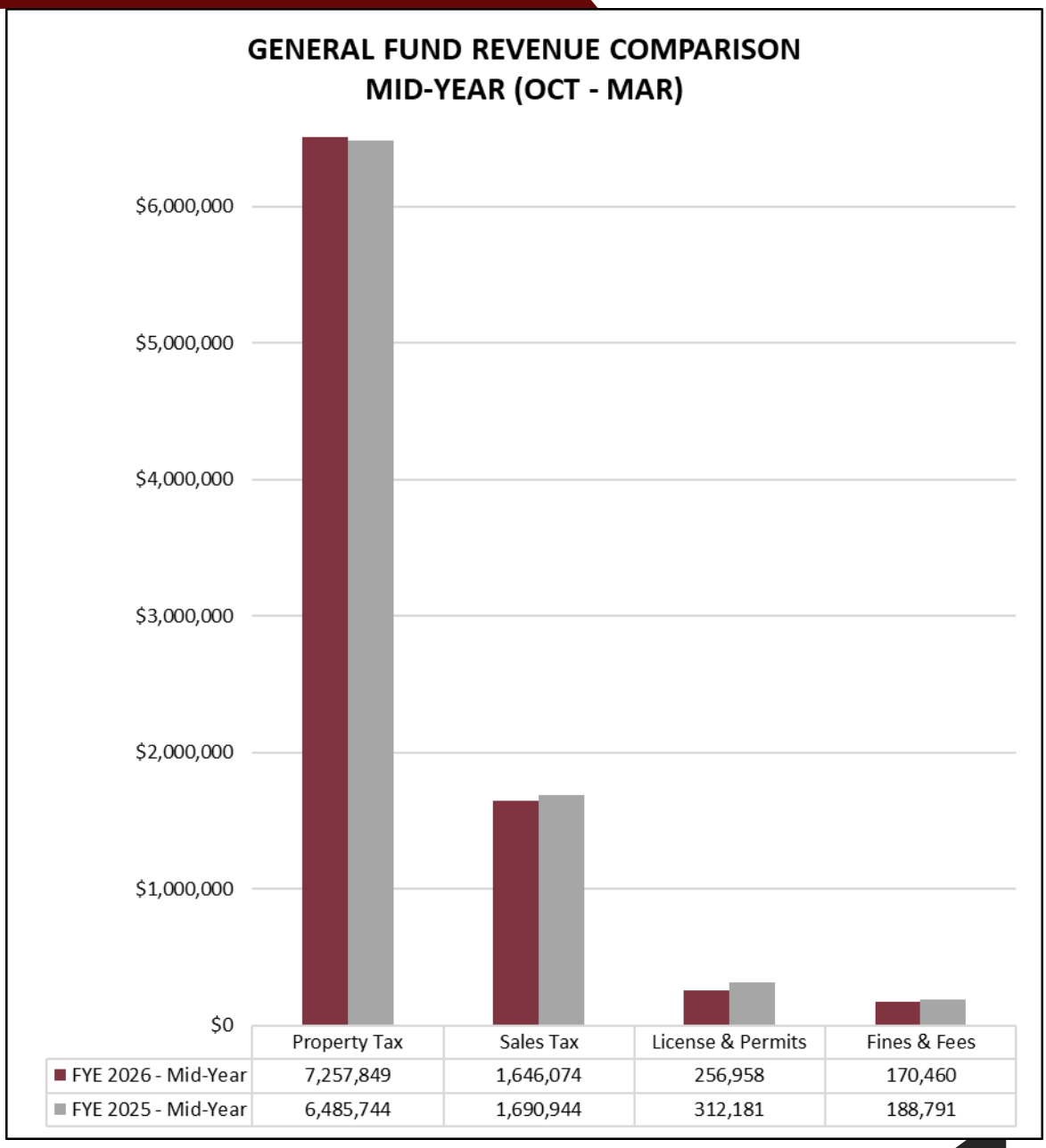
- **Interest earnings are at 46% of the FYE 2026 budget.** Interest earnings have a slight decrease in FY 2026 due to recent rate cuts by the Federal Reserve. Staff will continue to monitor these investment returns in the Quarterly Investment Reports provided to Council.

Revenue Category	FYE 2025 Mid-Year	FYE 2026 Mid-Year	FYE 2026 Adopted Budget	% Budget
Property Tax	6,485,744	7,257,849	6,824,684	106%
Sales Tax	1,690,944	1,646,074	3,307,628	50%
Other Taxes	189,420	216,752	429,210	51%
License & Permits	383,328	256,958	657,750	39%
Interest	230,271	172,700	375,000	46%
Transfer	2,175,758	2,223,974	4,447,848	50%

Lockhart Financial Focus

Oct. 2025 – Mar. 2026

Mid-Year of FYE 2026



	Property Tax	Sales Tax	License & Permits	Fines & Fees
FYE 2026 - Mid-Year	7,257,849	1,646,074	256,958	170,460
FYE 2025 - Mid-Year	6,485,744	1,690,944	312,181	188,791

Mid-Year of FYE 2026

UTILITY FUND REVENUES
THROUGH THE 2ND QUARTER (50% OF BUDGET)

- **Electric revenues are at 49% of the FYE 2026 budget.** Increased revenues are expected during the peak months of the summer. Compared to FYE 2025 YTD, Electric revenues increased 6%. This is primarily due to new utility accounts and increased power consumption.

- **Water and Wastewater Rates.** In November 2025, the City implemented new water and wastewater rate increases as recommended by the City's utility rate consultants (Raftelis). Beginning with the second billing cycle in November 2025, the rate increases were structured to have the least impact on customers who use the least amount of water while still maintaining quality service delivery and financial integrity for the Water and Wastewater utilities. Subsequent increases in these revenues are due in large part to the rate increases and compounded by the growth in new utility accounts.

- **Water revenues are at 56% of the FYE 2026 budget.** Water revenues typically increase during summer months. However, these increases may be tempered by seasonal water use restrictions. Compared to FYE 2025 YTD, Water revenues increased 30%.

- **Wastewater revenues are at 56% of the FYE 2026 budget.**

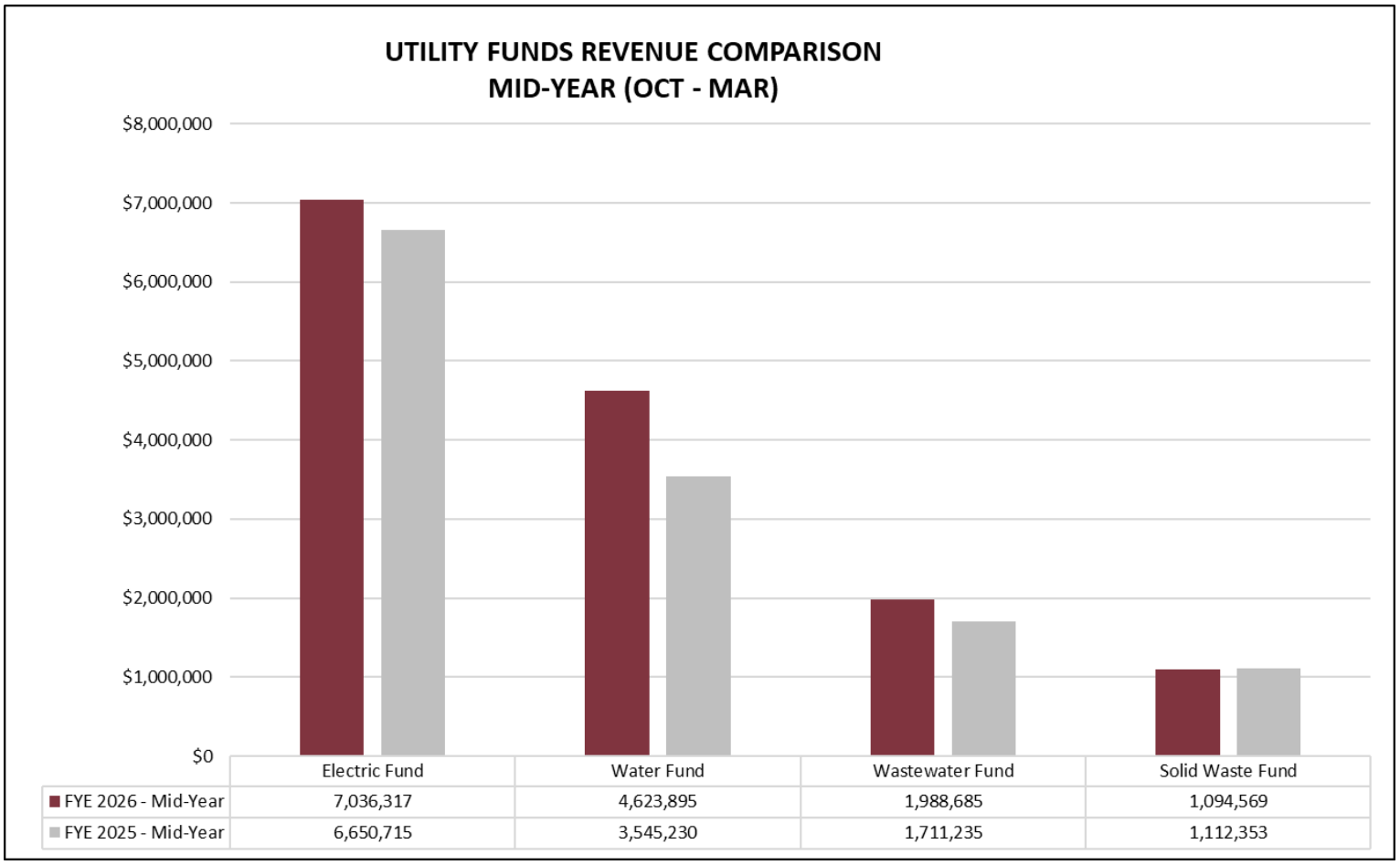
- **Solid Waste revenues are at 48% of the FYE 2026 budget.**

Revenue Category	FYE 2025 Mid-Year	FYE 2026 Mid-Year	FYE 2026 Adopted Budget	% Budget
Electric Fund	6,650,715	7,036,317	14,388,100	49%
Water Fund	3,545,230	4,623,895	8,304,087	56%
Wastewater Fund	1,711,235	1,988,685	3,566,500	56%
Solid Waste Fund	1,112,353	1,094,569	2,283,014	48%

Lockhart Financial Focus

Oct. 2025 – Mar. 2026

Mid-Year of FYE 2026



	Electric Fund	Water Fund	Wastewater Fund	Solid Waste Fund
FYE 2026 - Mid-Year	7,036,317	4,623,895	1,988,685	1,094,569
FYE 2025 - Mid-Year	6,650,715	3,545,230	1,711,235	1,112,353

Mid-Year of FYE 2026

GENERAL FUND EXPENDITURES
THROUGH THE 2nd QUARTER (50% OF BUDGET)

The General Fund is currently operating $1,770,384 revenues over expenditures. This is primarily due to the receipts of budgeted Property Tax revenues within this reporting period. These revenues represent 60% of General Fund revenues received YTD. Departments with higher than 50% budgeted expenditures are the following:

- **Mayor/Council expenditures are at 88% of the FYE 2026 budget** due to the annual budgeted non-profit payments.

- **Finance Department expenditures are at 60% of the FYE 2026 budget** due to an annual payment made to our third-party financial software provider at the beginning of the fiscal year.

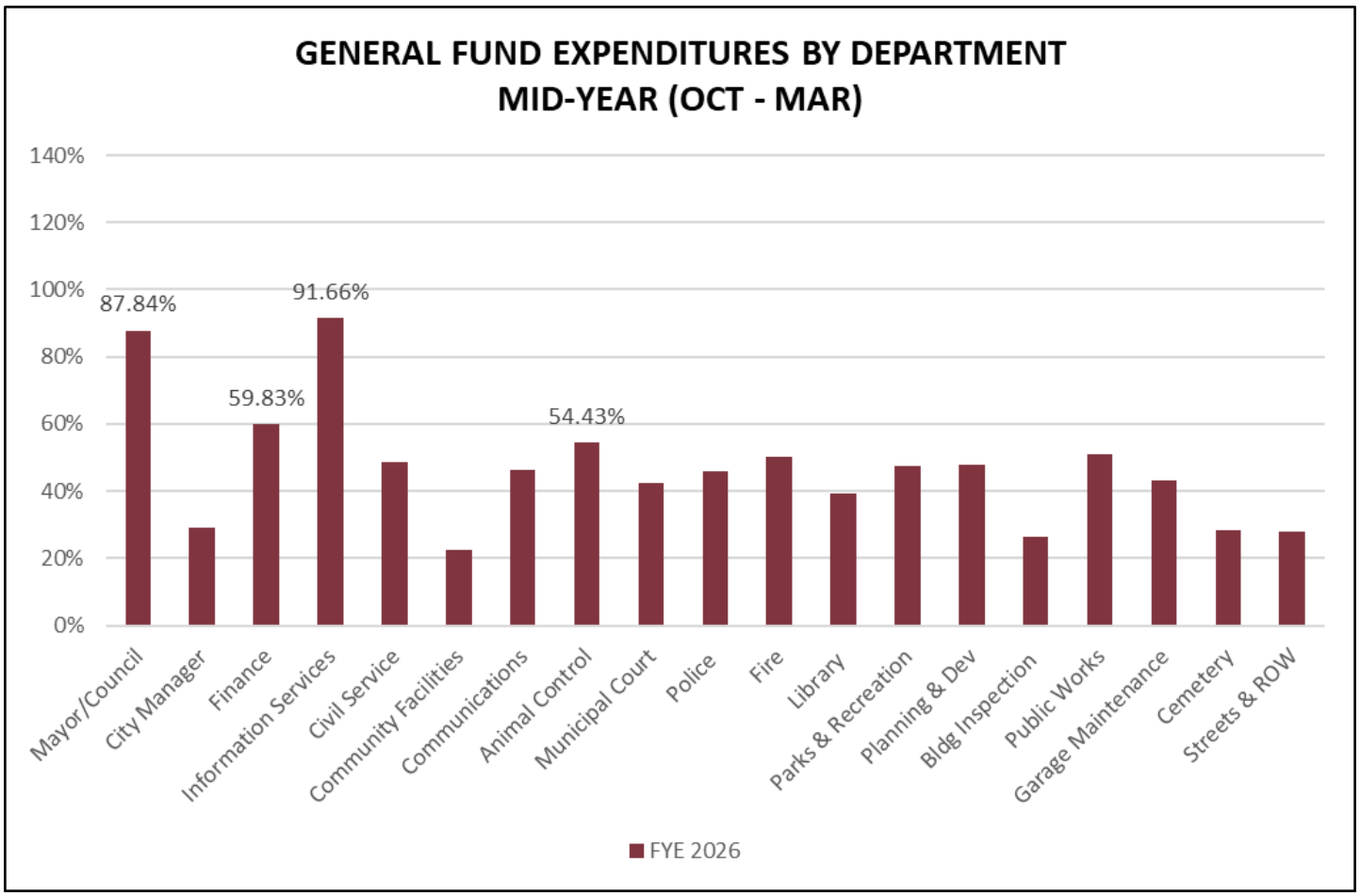
- **Information Services department expenditures are at 92% of the FYE 2026 budget** due to an annual payment made to the new City website vendor at the beginning of the year.

- **Animal Control department expenditures are at 54% of the FYE 2026 budget** due to a one-time expenditure for the installation and construction of dog kennels.

Lockhart Financial Focus

Oct. 2025 – Mar. 2026

Mid-Year of FYE 2026



UTILITY FUND EXPENDITURES
THROUGH THE 2nd QUARTER (50% OF BUDGET)

- **The Electric Fund is operating ($1,205,003), expenditures over revenues.** The Electric Billing department is at 86% of the FYE 2026 budget due to an annual software payment and processing fees for credit card utility account payments. The Electric Distribution department is at 54% of the FYE 2026 budget. The Electric non-departmental is at 56% of the FYE 2026 budget due to wholesale power cost. As previously discussed, increased revenues are expected during the peak months of the summer.

- **The Water Fund is operating $332,746, revenues over expenditures.** The Water Distribution department is at 63% of the FYE 2026 budget due to the GBRA expenditures for water treatment plant operations. These operational costs are billed at a budgeted rate throughout the fiscal year. The actual operation expenditures are reconciled at fiscal year-end. If billed payments are greater than actual costs, the City receives reimbursement. If billed payments are less than actual costs, the City pays the difference. The year-end reconciliation and subsequent expenditure account adjustments are anticipated to balance the fund.

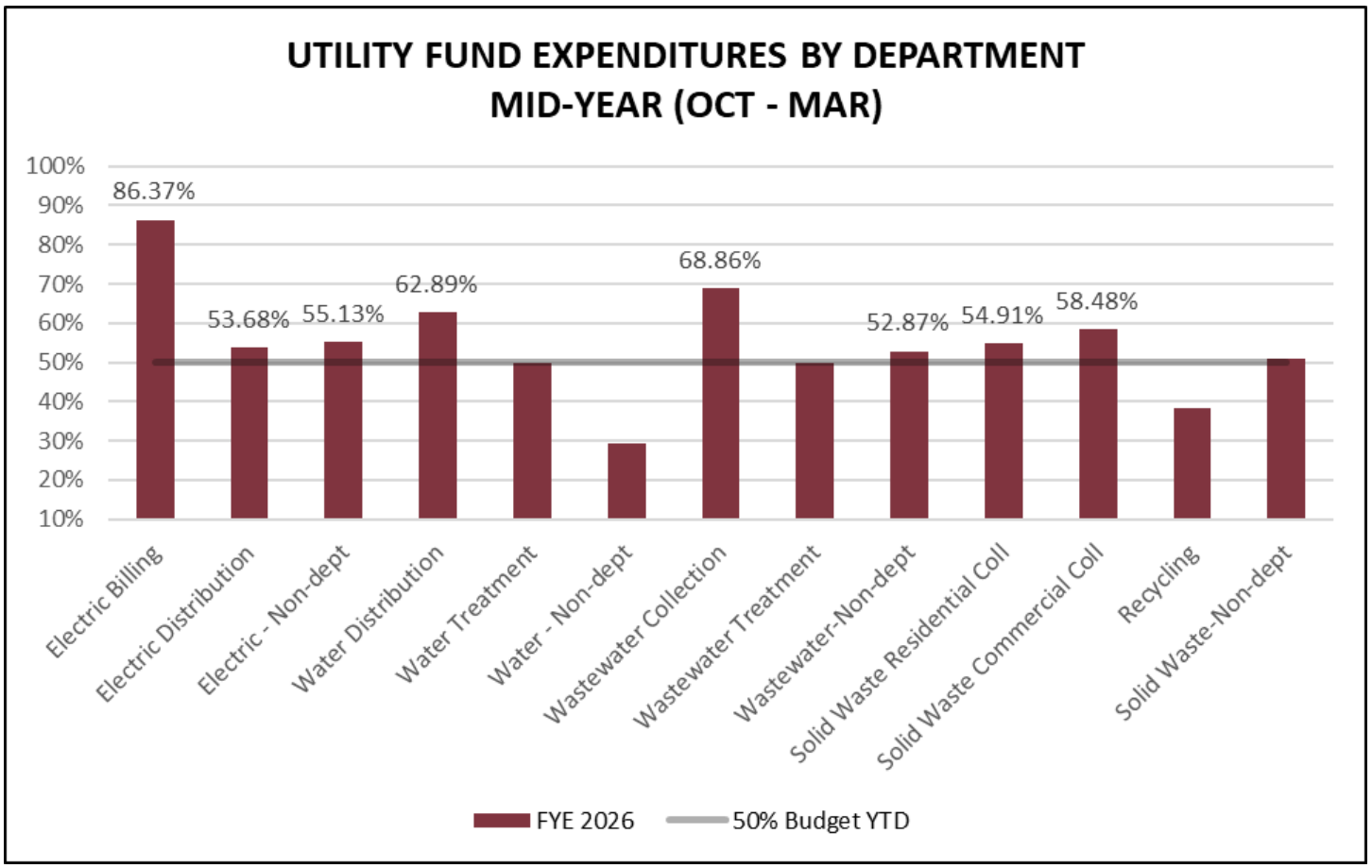
- **The Wastewater Fund is operating $72,583, revenues over expenditures.** The Wastewater Collection and Wastewater Treatment departments are at 69% and 50% respectively. The Wastewater Treatment department includes payments to GBRA for maintenance and operations. These payments follow the same reconciliation process described in the Water Fund above.

- **The Solid Waste Fund is operating ($114,127) expenditures over revenues.** The Solid Waste Residential Collection and Solid Waste Commercial Collection departments are at 57% combined. This includes payments to Republic Services for administration and operations of the Solid Waste utility. This also includes the operations of the Recycling center.

Lockhart Financial Focus

Oct. 2025 – Mar. 2026

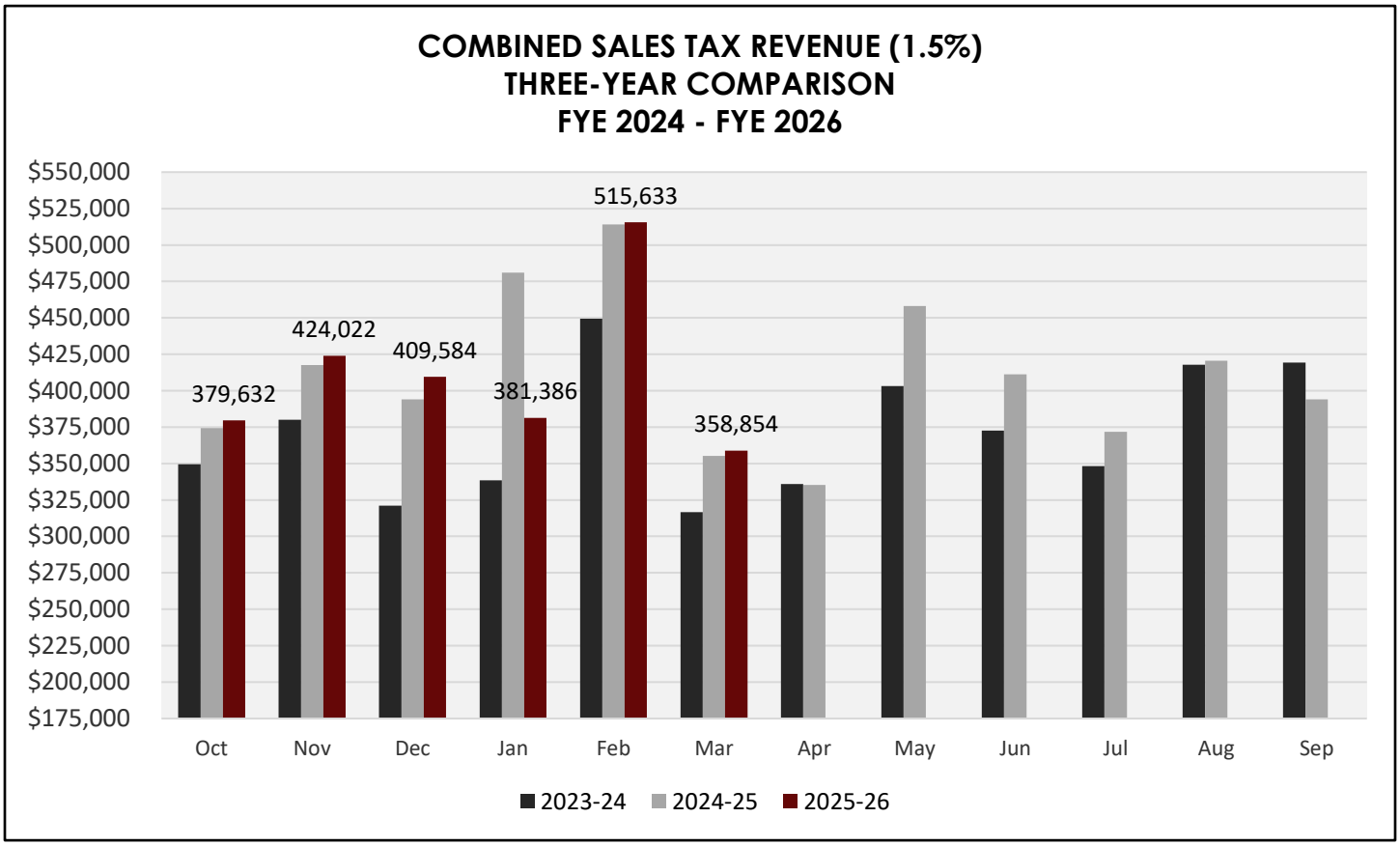
Mid-Year of FYE 2026



Lockhart Financial Focus

Oct. 2025 – Mar. 2026

Mid-Year of FYE 2026



Total Sales Tax (1.5%): Total combined collections to date for FYE 2026 are $2,469,111. The February 2026 sales tax deposit received for December 2025 sales is the highest amount the City has ever collected.

City Allocation (1.0%):

Total collections for the City of Lockhart to date for FYE 2026 are $1,646,074.

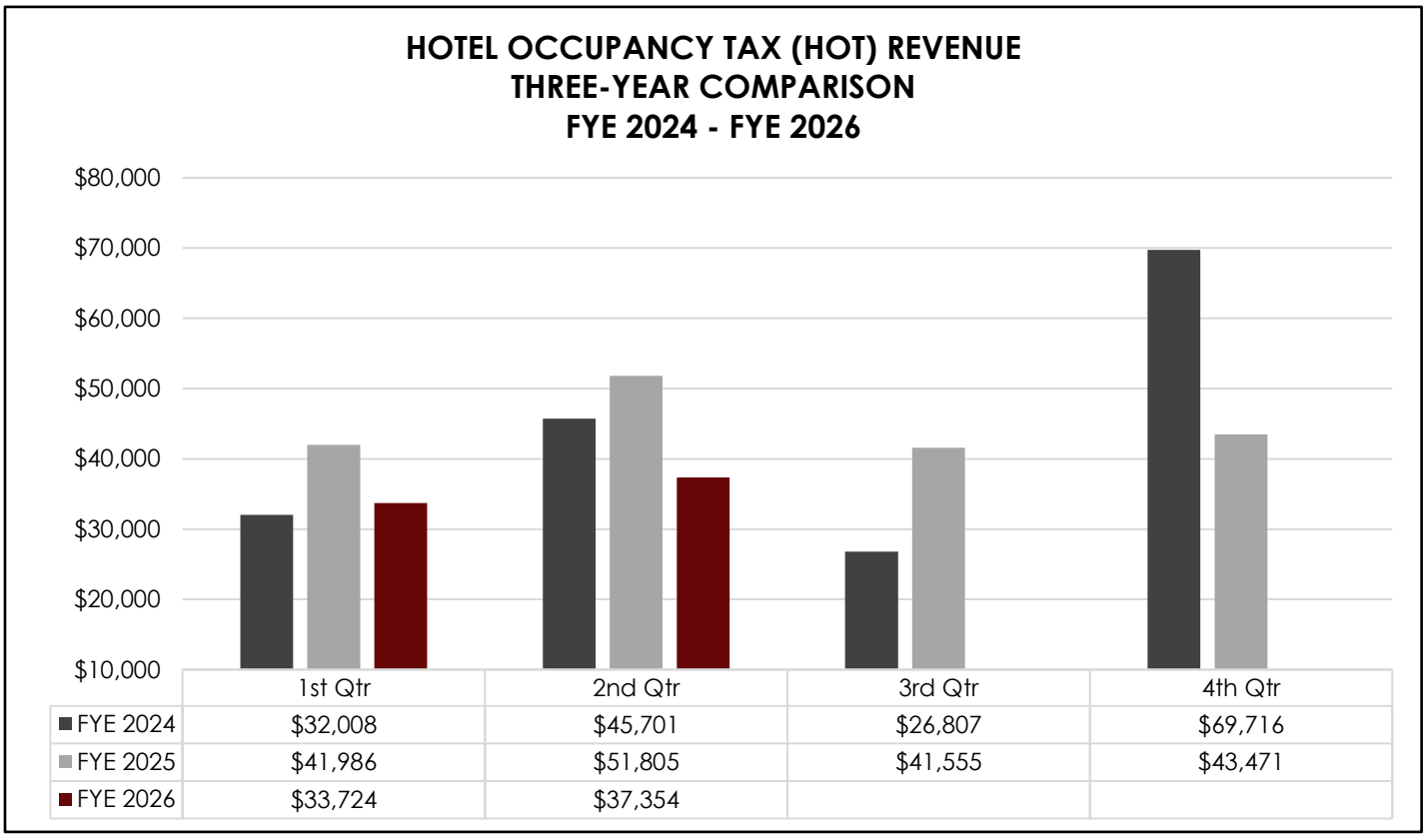
Lockhart Economic Development Corp. (LEDC) Allocation (0.5%):

Total collections for the LEDC to date for FYE 2026 are $823,037.

Lockhart Financial Focus

Oct. 2025 – Mar. 2026

Mid-Year of FYE 2026



	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
FYE 2024	$32,008	$45,701	$26,807	$69,716
FYE 2025	$41,986	$51,805	$41,555	$43,471
FYE 2026	$33,724	$37,354		

Hotel Occupancy Tax (HOT):

HOT revenues in Q2 for FYE 2026 are $37,354 compared to $51,805 collected in Q2 for FYE 2025. The City anticipates revenues to increase due to the approval of Ordinance 2026-02 requiring the City's tax to be collected by short-term rental platforms.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: April 21, 2026

AGENDA ITEM CAPTION: Discuss the Preliminary Budget and Tax Calendar for Fiscal Year 2026-2027.

ORIGINATING DEPARTMENT AND CONTACT: Finance - Keeli Michna

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: This document is the preliminary budget and tax calendar for Fiscal Year (FY) 2026-2027. Tentative dates are subject to Council acceptance of the proposed Council workshops. The budget workshops will provide dedicated days for management to present and discuss the City Manager's FY 2026-2027 Proposed Budget.

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: FYE 2027 - Budget and and Tax Calendar

FY 2026-2027

DATES	BUDGET CALENDAR	CITY OF LOCKHART, TX
April 9	Budget kick-off with Department Heads and administrative staff.	
April 21	Present Budget Calendar to Council.	
April 30	Chief appraiser prepares and certifies preliminary estimate of taxable values.	
May 8	Departmental operating budget requests due to the Finance department and City Manager.	
May 11 – 22	City Manager meetings with Department Heads to review budget expenses & needs.	
May 29	Revised department budgets due to Finance Director.	
June 2	Distribution of City Manager's Preliminary Budget.	
June 8	LEDC meeting w/Budget workshop.	
June 10 (Wed)* June 11 (Thur)*	Budget Workshop I to review General Fund budget. Budget Workshop II to review Enterprise & Special Revenue Funds budgets.	
June 16	Presentation of GBRA & CCAD Budget. Non-Profits Presentation to Council.	
July 22 (Wed)* July 23 (Thur)*	Budget Workshop III to review personnel compensation and benefits and the Comprehensive Fee Schedule. Budget Workshop III to review Capital Improvement Program (CIP) [water, wastewater, facilities, streets, parks, etc.].	
July 25	Chief Appraiser certifies the appraised roll to taxing units.	
July 31	File City Manager's Proposed Budget with City Secretary.	
August 4	City Manager presents Proposed Budget to Council; LEDC presents LEDC Budget to Council; set two public hearings on proposed budget.	
	City Council sets proposed tax rate; record vote; schedule public hearing.	
August 18	Public Hearing No. 1 on Proposed Budget.	
August 19 August 26	First *Notice of Public Hearing* on Proposed Tax Rate in Lockhart Post. Second *Notice of Public Hearing* on Proposed Tax Rate in Lockhart Post (at least 5 days before public hearing).	
September 1	Public Hearing No. 2 on Proposed Budget; Public Hearing No. 1 on Proposed Tax Rate. City Council to adopt Budget, approve LEDC Budget; and adopt tax rate.	
September 8	Last day for meeting to adopt Proposed Tax Rate if rate is not adopted September 1st.	
October 1	New Fiscal Year	
November 30	Deadline for Budget distribution to City Council, Caldwell County Clerk, City Hall, Municipal Library, and post to City's website.	

Regular Council Meetings | * Tentative workshop dates subject to Council availability.

Date: 04/21/26

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: April 21, 2026

AGENDA ITEM CAPTION: Discuss an extension to the FY 2025 Hotel Occupancy Tax Agreement with the Gaslight-Baker Theater, updating the project completion deadline to June 30, 2026, and authorize the City Manager to execute the contract amendment.

ORIGINATING DEPARTMENT AND CONTACT: Finance - Keeli Michna

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: The Gaslight-Baker Theater was awarded $15,000 from the Hotel Occupancy Tax Advisory Board and City Council during Fiscal Year 2025. The first payment of $7,500 was issued in August 2025 for restoration and repainting projects on the building. The original deadline for completion was the end of calendar year 2025. Due to unforeseen circumstances, the organization was unable to complete the project by the deadline and has requested an extension through June 30, 2026. The Hotel Occupancy Tax Advisory Board approved the extension during their March 12, 2026 meeting.

If approved, City staff will coordinate with the Theater to execute a contract amendment updating Section VII. EFFECTIVE DATE; TERMINATION to extend the agreement term. As amended, the section would read as follows:

VII. EFFECTIVE DATE; TERMINATION
This Agreement shall begin the 7th day of May 2025 and shall continue in force for a period to end on June 30, 2026.

All other terms of the Agreement shall remain unchanged and in full force and effect. Upon completion of the project and submission of the Post-Event Form, the City will release the remaining $7,500 payment in accordance with the amended agreement.

PROJECT SCHEDULE (if applicable):

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

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends the approval of the FY 2025 Hot Funding Agreement Extension.

LIST OF SUPPORTING DOCUMENTS: FYE 2025 - Gaslight Baker Theater_Signed

STATE OF TEXAS }

} KNOW ALL MEN BY THESE PRESENT:

COUNTY OF CALDWELL }

PUBLICITY AND TOURISM AGREEMENT

This Agreement is made on the 7th day of May 2025, by and between the City of Lockhart, Texas, a municipal corporation of Caldwell County, Texas, and the Gaslight-Baker Theater.

I. AUTHORITY

The City of Lockhart, Texas, by authority of power granted to it under state statutes and Home-Rule Charter, and Article IV, Chapter 54 of the Code of Ordinances, has heretofore enacted a local hotel occupancy tax on occupants of hotels within the city limits and extraterritorial jurisdiction of the City of Lockhart.

II. PAYMENTS, PURPOSE AND USES OF FUNDS

(a) As part of its obligation under state statutes (primarily Ch. 351, Texas Tax Code), to use local hotel occupancy tax funds for attracting and promoting tourism and the convention and hotel industry, the City of Lockhart hereby agrees to pay to the Gaslight-Baker Theater $15,000 actually received by the City from the local hotel occupancy tax as reported and collected from the hotels, in consideration for the Gaslight-Baker Theater advertising and promoting tourism for the visitor market from which the City of Lockhart derives direct tourism income benefit. Such payment shall be made in two installments of $7,500. First installment will be paid on or about May 9, 2025, and final installment will be paid on or about September 30, 2025. This request will require a post-event form to be considered for future funding.

(b) The Gaslight-Baker Theater agrees that any local hotel occupancy tax funds paid to it by the City of Lockhart shall be used in any of the following specific criteria:

1) Historical restoration and preservation projects or activities and conducting solicitation and promotional programs to encourage tourists to visit preserved historic sites or museums; encouragement, promotion, improvement and application of the arts; advertising, solicitations, and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity ($15,000);

(c) The Gaslight-Baker Theater agrees to conduct a continuing program of advertising and promotion for the purpose of attracting visitors, tourists, and conventions to the local area and to the City of Lockhart by publishing and distributing brochures and community

information packets, by advertising in various tourists publications and general media publications, which are appropriate, by representing the City of Lockhart at travel shows and other such events, by participating with state and regional agencies in tourist development programs of benefit to the local area and to the City of Lockhart, and by using all appropriate means to increase the traveling public's awareness of the recreations advantages of the local area and the City of Lockhart.

(d) The Gaslight-Baker Theater further agrees that it will seek to achieve economic benefit for the City of Lockhart through all of such activities, that it will provide tourist-related information about the City of Lockhart upon request, that it will not spend HOT funds for any purpose that is not authorized under Ch.351, Texas Tax Code, and that it will serve as an advisory body to the City on request, in matters related to expanding the tourist-derived economy.

III. INDEPENDENT CONTRACTOR

It is expressly understood and agreed by and between the parties that the Gaslight-Baker Theater is engaged as an independent contractor and is not an officer, agent, or employee of the City of Lockhart.

IV. COMMITMENT OF RESOURCES

The Gaslight-Baker Theater shall secure sufficient numbers of employees and/or volunteers to accomplish this Agreement. The Gaslight-Baker Theater shall further provide such office space, equipment, supplies, and other materials as may be necessary to accomplish the purposes of this Agreement.

V. BUDGET, ANNUAL REPORTS, AND FINANCIAL STATEMENTS

(a) The Gaslight-Baker Theater shall provide to the City, prior to obtaining any local hotel occupancy tax funds, City of Lockhart Funding Application form, a proposed marketing plan for funded event (if applicable), and a schedule of activities or events relating to the funded project. It is understood and agreed by and between the parties that upon budget approval by the municipality, a fiduciary duty is created in the Gaslight-Baker Theater with respect to expenditure of revenue provided.

(b) **Thereafter, the Gaslight-Baker Theater shall provide to the City Council a post even form, as well as an annual financial statement listing the expenditures made from revenue from the local hotel occupancy tax. The listing of expenditures of such funds must be consistent with the approved application request and any additional written or oral representations made to the HOT Board and City Council in a public meeting.**

(c) All expenditures by the Gaslight-Baker Theater of hotel/motel tax revenue must be properly documented by voucher statement or other written description and said

expenditure must relate to the promotion of tourism and convention or other purposes authorized by state law. The Gaslight-Baker Theater shall maintain complete and accurate financial record for each expenditure of local hotel occupancy tax revenue, and upon request of the city Council or other persons, shall make the records available for inspection and review.

(d) It is understood and agreed between the parties that hotel occupancy tax funds may be spent by the Gaslight-Baker Theater for historical restoration and preservation projects or activities and conducting solicitation and promotional programs advertising, solicitations, and promotional programs to attract tourists ($15,000).

VII. EFFECTIVE DATE; TERMINATION

This Agreement shall begin the 7th day of May 2025 and shall continue in force for a period to end on December 31st, 2025. The City Council shall review the Agreement annually prior to budget adoption. However, either the City or the Gaslight-Baker Theater shall, upon affording proper written notice in the manner herein below provided, have the option to terminate this Agreement at any time within thirty (30) days after giving such notice. Where such termination occurs, any funds remaining in the separate account, described in Section V above, immediately shall be returned to the City of Lockhart by the Gaslight-Baker Theater, and a final accounting of the separate account shall be presented by the Gaslight-Baker Theater to the City of Lockhart Finance Director within thirty (30) days after such termination.

VIII. NOTICE

Any notice necessary or appropriate relative to this Agreement shall be effective when deposited in the United States mail, either certified or registered mail, postage prepaid, and addressed to the City of Lockhart, P. O. Box 239, Lockhart, Texas, 78644, or to the Gaslight-Baker Theater, P.O. Box 1152, Lockhart, Texas, 78644.

IX. ASSIGNMENT

No part of this Agreement may be assigned or delegated without prior written consent of the other party, and any attempted assignment of benefits or rights or delegation of duties or obligations shall be a breach of this Agreement. However, nothing in this Agreement shall prohibit the Gaslight-Baker Theater from participating with regional or state tourism programs or to contract for joint promotion with other agencies.

X. AVAILABILITY OF FUNDS

It is expressly agreed that by executing this Agreement with the Gaslight-Baker Theater, the City does not bind itself in the future as to any action of the City Council in connection with the alteration or repeal or amendment of the City of Lockhart, Texas, hotel occupancy tax.

In the event, for any reason, the taxes are not collected by the City of Lockhart under the provisions of the hotel occupancy tax ordinance, the City shall not be obligated under this Agreement to pay any funds of the City to the Gaslight-Baker Theater. The City shall pay the Gaslight-Baker Theater only when and if the taxes are collected. Under no circumstances is the City obligated to pay funds, other than hotel occupancy tax funds, in the performance of this contract.

It is also understood between the parties to this Agreement that in the event that no taxes are ever collected and therefore no funds are available from the City of Lockhart, Texas, hotel occupancy tax, this Agreement shall terminate, any provisions contained herein notwithstanding, and that the Gaslight-Baker Theater shall have no right or demand upon the City for funds payable under this Agreement if such taxes are not available, for any reason.

XI. INDEMNITY CLAUSE

The Gaslight-Baker Theater agrees to and shall indemnify and hold harmless and defend the City of Lockhart, Texas, its officers, agents, and employees from any and all claims, losses, causes of action and damages, suits, and liability of every kind including all expenses of litigation, court costs, and attorney fees, for injury to or death to any person, or for damage to any property, arising from or in connection with the operations of the Gaslight-Baker Theater, its officers, agents, and employees carried out in furtherance of this Agreement.

XII. APPROVAL; AUTHORIZED SIGNATURES

This Agreement shall be subject to the laws and statutes of the State of Texas. Each party warrants and represents that it has approved this Agreement by resolution duly adopted at a meeting of its governing body by a majority of those present and voting and that the chief executive officer and secretary of each party are duly authorized to enter into this Agreement on behalf of such party.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

GASLIGHT-BAKER THEATER

Jason Jones
President

CITY OF LOCKHART

Steve Lewis
City Manager

ATTEST:

Julie Bowermon
City Secretary

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: April 21, 2026

AGENDA ITEM CAPTION: Discussion regarding the purchase of a replacement M420B Base Station from Aqua-Metric through the HGAC Buy Purchasing Cooperative (Contract No. WM09-20) in the amount of $69,926.54 for the Electric, Water, and Wastewater Departments, and authorize the City Manager to execute any necessary documents.

ORIGINATING DEPARTMENT AND CONTACT: Finance - Keeli Michna

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: The City of Lockhart currently operates two base stations that collect data for electric and water meters, located on the Wichita Water Tower and the San Jacinto Water Tower. Both units were installed in 2011 and are now at the end of their useful life.

The base stations are critical to ensuring accurate and timely meter readings for utility billing. Due to age and advancements in base station technology, the existing units are outdated and no longer serviceable if they fail. The base station located on the Wichita Water Tower is currently experiencing operational issues, resulting in uncollected meter reads of approximately 300–400 meters. As a result, staff have been required to perform manual readings, decreasing utility billing efficiency and increasing staff demands. The affected meters include a mix of electric and water accounts, with the majority being water meters.

Staff recommends replacing the Wichita Tower base station at this time as a proactive measure to maintain system reliability and avoid potential disruptions to utility data collection and billing operations. The San Jacinto Tower base station is planned for replacement in the Fiscal Year 2027 budget.

The proposed purchase through the HGAC Buy Purchasing Cooperative is in compliance with City's adopted purchasing policy, provides competitive pricing, and maintains consistency with the City’s existing vendor for base station and meter infrastructure to support reliable system operations. The total cost of $69,926.54 will be allocated proportionally among the Electric, Water, and Wastewater funds.

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): Sufficient funds are available within the respective utility funds to support this purchase.

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION:

LIST OF SUPPORTING DOCUMENTS: Quote - Wichita Tower Base Station

Aqua Metric

Aqua-Metric Sales Company
16914 Alamo Parkway, Bldg. 2 | Selma, TX 78154
Phone: (210) 967-6300 | Facsimile: (210) 967-6305

April 7, 2026

Client: City of Lockhart, TX
Attention:
Address
City, State, Zip:
Phone:
Email:

Line No.	Item	Quantity	Tariff Total	Unit	Extended
Base Station Exchange Quote - Wichita Tower					
	M420B Base Station with SPM-900	1	$1,041.48	$37,872.00	$37,872.00
	Communication Backhaul	1		$1,500.00	$1,500.00
	M420B Base Station Installation at Wichita Tower Includes: Removal of existing AMI infrastructure; Installation of new M420 (less magnetic mount); Vent Mount Hardware, and Talon 1 Magnetic Cable Hangers	1		$26,921.43	$26,921.43
	Annual M420 Base Station Extended Warranty	1		$2,591.63	$2,591.63

This quote for the product and services named above is subject to the following terms:

1. All quotes are subject to the Aqua-Metric Terms of Sale unless there is an executed agreement between the parties.
Terms of Sale can be found online at www.aqua-metric.com
2. Quote is valid for thirty days.
3. If modifications in materials, labor, or processing are required to meet new regulations, the pricing submitted herein is subject to immediate change.
4. Freight allowed on single Sensus Product orders exceeding $80,000.00.
5. Net Thirty Days to Pay
6. Returned product may be subject to a 25% restocking fee. Additional details apply.
7. Sales Tax and/or Freight charges are not included.
8. TAXES AND FEES. All prices quoted are exclusive of federal taxes, state taxes, municipal taxes, tariffs, duties, and other government-imposed fees (collectively the "Taxes and Fees") related to the procurement, installation, and delivery of materials and equipment. Customer shall be liable for all applicable Taxes and Fees imposed upon the Goods purchased. Taxes and Fees will be added to each applicable invoice and are the responsibility of the Customer. If Customer is exempt from sales tax, Customer is required to provide all applicable tax exemption documentation at the time of purchase. Any changes in Taxes and Fees may result in adjustments to the final invoice accordingly.
9. Minimum 5 year term for SaaS Model with Annual 3% price increase
10. Customer to provide electricity to Base Stations and Base Station mounting hardware
11. Customer to provide static IP address and monthly data (SIM) for backhaul communication - Aqua-Metric suggests Verizon Wireless or AT&T
12. Pricing does not include staging, product storage, or consumer outreach program
13. Pricing does not include bonding
14. Any items beyond quote above subject to price negotiations

Subtotal:	$68,885.06
Tariffs:	$1,041.48
Sales Tax:	$0.00
Total:	**$69,926.54**

Thirkettle Corporation General Terms of Sale

1. DEFINITIONS.
   1.1. "Customer" means the party purchasing goods or services pursuant to these Terms of Sale ("Terms").
   1.2. "Company" means Thirkettle Corporation, including without limitation wholly owned subsidiaries Aqua-Metric Sales Company™ and Utiliuse™, who is the authorized reseller of certain Goods provided to Customer.
   1.3. "Goods" broadly means the collective Products and/or Services sold or otherwise provided by the Company.
   1.4. "Product" means any tangible material, object, or software offered for sale by the Company.
   1.5. "Service" means a business act or task as performed by an individual at a predetermined billable rate.
   1.6. "Supplier" refers to a third-party business entity who manufacturers or supplies various Goods furnished by the Company.
2. CONTRACT OF SALE. All Goods offered for sale are subject to the prices and terms specified in (i) the Terms outlined herein, (ii) an applicable Company quotation, bid, or proposal (collectively, the "Proposal"), and/or (iii) separate agreement duly executed by and between the Company and Customer; all of which are subject to change. A Customer's purchase order or similar writing shall constitute an acceptance of the offer to sell (the "Agreement"); however, any inconsistent, additional or different terms to the Proposal contained in a Customer's request for quotation or purchase order (collectively, "Additional Terms") are hereby objected to and rejected by the Company. Such Additional Terms will not become part of the Agreement unless accepted by the Company in a writing. Notwithstanding anything to the contrary herein, these Terms may be incorporated by reference or otherwise modified, in whole or in part, into a mutually acceptable agreement duly executed between the Company and the Customer.
3. PROPOSALS. Proposals are inclusive of only the Goods detailed within a formal Company quotation form. Proposals will remain valid for a period of thirty (30) days unless otherwise noted. All pricing is subject to change based on the manufacturer's suggested retail price. The Company reserves the right to apply a price adjustment to all quotes or orders received and not delivered to the Customer as a result of economic price increase or decrease in cost of raw materials, labor, or transport at the time imposed by the Company's Suppliers. Any supplemental or incidental Goods required but not included will be subject to additional costs to the Customer. THE COMPANY MAKES NO GUARANTEE, EITHER EXPRESSED OR IMPLIED, THAT PROPOSAL PRICING IS ALL INCLUSIVE.
4. ANNUAL SERVICES. Annual Services are the recurring fees for software or Services required to operate, maintain, or support Customer's product and/or software; including but not limited to annual support fees, Software-as-a-Service (or "SaaS") licensing fees, server or data hosting and licensing fees, or any fee requiring a fee for service. Unless otherwise agreed upon in writhing between the Company and Customer, annual subscription services will automatically renew annually and will be subject to an automatic annual escalation to the antecedent annual fee imposed by the Supplier.
5. TAXES AND FEES. All prices quoted are exclusive of federal taxes, state taxes, municipal taxes, tariffs, duties, and other government-imposed fees (collectively the "Taxes and Fees") related to the procurement, installation, and delivery of materials and equipment. Customer shall be liable for all Taxes and Fees imposed upon the Goods purchased under this Agreement. Taxes and Fees will be added to each applicable invoice and are the responsibility of the Customer. If Customer is exempt from sales tax, Customer is required to provide all applicable tax exemption documentation at the time of purchase. Any changes in Taxes and Fees during this Agreement may result in adjustments to the final invoice accordingly.
6. PAYMENT TERMS. Customer shall pay all undisputed invoices in US Dollars within thirty (30) days of the invoice date. The Company reserves the right to establish credit limits for Customer and may require full or partial payment prior to provisioning of any Goods. All payments shall be made via credit card (VISA or MasterCard), check or electronic ACH payment. In the event of dispute, Customer must notify the Company, in writing, within seven (7) days of receipt of an invoice. Notwithstanding, if Customer fails to pay any non-disputed invoice within 30 days of the invoice date, the Company may, in its sole discretion, 1) assess late fees in the amount of one (1) percent per calendar day past due or the highest rate permitted by law, 2) place Customer on "credit hold" and withhold or suspend, in whole or in part, current or future orders or business Services, including without limitation the Annual Services; until Customer has paid all delinquent amounts plus any applicable late fees to the Company. Further, the Company may, in its sole discretion, transfer delinquent invoices to a third-party collections agency. In such event, Customer will be responsible for all fees assessed, including reasonable attorney fees, to collect Customer debts.
7. PRODUCT LEAD TIMES. All purchase orders will be prioritized and fulfilled in the order received. Stock orders will be fulfilled in the most expeditious means available. Non-stock or special order Goods delivery times will be subject to availability and Supplier lead times.
8. PACKAGING. The Company reserves the right to select the manner in which Products are packaged. Quoted prices include standard packaging. Special requirements for packaging will be subject to additional charges.
9. SHIPPING AND HANDLING. All Products will be shipped Freight on Board (FOB) Destination Freight Prepaid and Added. The Company will ship all Products using the most economical ground transportation service. Expedited shipments, such as "next day" or "second day", will be at the Customers expense unless otherwise agreed upon by the Company. All applicable shipping and handling charges will be included on the Company's invoice to the Customer. The Company does not guarantee and therefore will not be liable for any delays in shipment.
10. FREIGHT. Oversized Product(s) or bulk orders will be shipped on standard Less-Than-Truckload ("LTL") freight carriers when applicable. The Customer is required to provide the necessary equipment required (i.e. loading dock, fork lift, pallet jack, etc.) to unload the shipment upon arrival. If the Customer does not have access to equipment necessary to unload the Product(s), Customer must inform the Company in advance and prior to shipment. Customer will be responsible for any additional cost(s) or fee(s) incurred for special handling requirements.
11. FREIGHT ALLOWANCE. Single Sensus product orders exceeding $80,000 will be shipped FOB Freight Allowed unless otherwise specified and agreed upon in writing. Freight allowance is only applicable to single orders shipped complete. Partial shipments must be specified in writing at the time of order placement. The Company reserves the right to refuse freight allowance and/or bill partial freight costs on final invoice.
12. TITLE. Title of Product(s) shall transfer to customer on the date of delivery to Customer's premises.
13. LOSS OR DAMAGE CLAIMS. The Customer is responsible for reporting lost or damaged Products as a result of improper packaging and/or handling to the Company within fifteen (15) business days. Claims may become void if made more than fifteen (15) business days after the product shipment date. Damaged Product(s) will be returned to the point of origin for inspection. The Company reserves the right to repair or replace product(s) damaged in shipment.
14. CHANGES OR CANCELLATIONS. Orders submitted to the Company must be canceled or changed by Customer in writing prior to the shipment of Product(s). The Company reserves the right to invoice shipping charges for orders cancelled after deliverables shipped.
15. RETURNS. No Product(s) may be returned for refund without the prior written authorization of the Company. The Company reserves the right to refund the cost of deliverables less a restocking fee and/or shipping and handling charges upon receipt of return product. Refunds will be processed and issued within thirty (30) days from the receipt of the returned product(s). Authorized returns must be received by the Company within six (6) months of the delivery date to the Customer, in "like-new" condition to the Company's designated receiving point, must be shipped in original or suitable packaging, must be accompanied by a packing slip, including the Company's return authorization number, and must have transportation charges prepaid. All returned product(s) will be inspected upon delivery for any indication of use or damage. Customer will be responsible for returning the product(s) to the Company's designated distribution warehouse and any cost(s) incurred to repackage and/or shipping carrier fees. Customer will be responsible

for any damages incurred during shipment. The Company reserves the right to refuse Product(s) which have been installed, used, or otherwise returned in any condition other than new. The Company reserves the right to deduct an adequate service charge to cover all inspection, testing and handling from any return.

16. RESTOCKING FEE. Return Product(s) are subject to a twenty-five percent (25%) restocking fee. Special order Product(s), including but not limited to: meter reading equipment, infrastructure, or any Product(s) requiring a unique configuration, are subject to fifty percent (50%) restocking fee. Due to the custom configuration of electric meters, all electric meter sales are final.

17. OBSOLESCENCE. The Company shall not be held liable for planned or unplanned obsolescence of product(s), parts, or software discontinued by any Supplier.

18. PRODUCT WARRANTIES.

18.1. EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, THE SERVICES AND SOFTWARE ARE PROVIDED BY THE COMPANY ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE; HOWEVER, ANY SUPPLIER WARRANTIES RECEIVED BY THE COMPANY FROM ITS SUPPLIERS SHALL BE PASSED ONTO CUSTOMER.

18.2. The Company warrants that the Services provided by the Company will be performed in a professional and workmanlike manner with a degree of care, skill and competence that is consistent with the then generally accepted industry standards reasonably expected of similar types of engagements and the Goods will substantially conform to the Goods specified in the applicable Proposal.

18.3. The Company further warrants that the Product(s) furnished shall be provided to the best of the Company's reasonable ability and in accordance with the information and data provided by Customer in the preparation of the Proposal. The Company makes no representation, warranty, or covenants that the Product(s) furnished will be fully identical or compatible with the make, model, or type required by Customer's specifications.

18.4. Standard Supplier's Warranty. Where available, standard Supplier warranties shall apply to all software, service(s), and product(s) furnished by the Company's third-party Suppliers. Nothing in these Terms shall be construed to amend, extend, enhance, or limit the supplier warranties offered unless such change has been expressly offered by the Supplier in writing and duly accepted by the parties under separate agreement.

18.5. Meter Services Warranty. This Meter Services Limited Warranty covers the Meter Services (defined below) furnished under Agreement and in accordance with the terms and conditions as follows:

A. Definitions.

I. "Meter Services" means the installation or exchange of certain residential, commercial, or industrial water, electric, or gas utility meter(s) as provided by the Company or its subcontractor and pursuant to the services performed under agreement.

II. "Service Account" means Customer's physical property to which Customer provides a Utility Service.

III. "Utility Service" means the water, electric, and/or gas service offered and provided by Customer as applicable.

IV. "Worksite" means the actual area of work at the Service Account where the utility meter is located.

B. General Conditions.

I. The Company warrants that the Meter Services will be performed in a professional and workmanlike manner, exercising discretion in determining the appropriate degree of care, skill, and competence, and aligning with industry standards and codes to the extent reasonably practicable for similar type work.

II. The warranty is valid for a period of thirty (30) calendar days from the date the Meter Services were performed (the "Warranty Period").

III. The warranty is limited to the actual work performed by the Company or its subcontractors and does not include work performed by third parties not hired by the Company.

IV. The Company reserves the right, at its sole discretion, to inspect the Worksite and determine the appropriate course of action to address any warranty defect. If a claim for damage or defect is determined not to be covered by the warranty, the Company may invoice the Customer for any and all costs incurred in inspecting the Worksite. The Company's liability to the Customer under this warranty is strictly limited to, at the Company's option, the repair or correction of the defective Meter Services, and the Company shall not be liable for any other damages or costs.

V. This warranty is limited to the labor provided to perform the Meter Services and does not include labor to replace manufacturer defects unless such defect was actually caused by the Company's or it's subcontractor's negligence.

C. Water Utility Service.

I. The warranty is limited to the actual area of work: 1) within the meter box (exterior meter sets); or 2) end-to-end between the meter couplings (interior meter sets).

II. Customer acknowledges and agrees the Company may be unable to reasonably identify the presence or threat of potential or pre-existing damages or defects to the Customer's or property owner's service line. The Company does not warrant against damage or defect(s), whether or not such damage or defect was known, of the materials currently installed at the Service Account; including but not limited to the utility meter, service line piping, meter couplings, fittings, galvanized lines or fittings, curb stops, shut off valves, meter risers, meter setters, meter boxes or meter box lids, adjacent utilities lines in or around the utility meter, or other similar materials installed by others which have or may fail during the Meter Services due to age, normal wear and tear, deterioration, defect, deflection caused by ground shift, service line spring, high pressure or repressurizing of the water service, non-compliance with current industry regulations or codes, negligence, tampering, or lack of proper or routine maintenance.

III. Customer acknowledges and agrees that the temporary disconnection of the water Utility Service to conduct the Meter Services, and any subsequent restoration or pressurization of the water service, may introduce dirt or loosen service line debris (including but not limited to hard water, scale, sediment, etc.) into the service line. Such occurrences shall not constitute a material breach of this Agreement or negligence on the part of the Company. The Company shall not be liable for any damage or defects to household fixtures, including but not limited to water heaters, water softening or filtration systems, sloan valves, appliances, water pressure, electronics, or any other related appurtenances that rely on the water Utility Service provided by Customer. Customer further agrees to indemnify, defend, and hold harmless the Company from any claims, liabilities, or damages arising from such occurrences.

D. Electric Utility Service.

I. The warranty is limited to the actual area of work contained within the electrical meter box.

II. The Company does not warrant against damage or defect to electrical equipment including but not limited to wiring, conduit, wire nuts, relays, sockets, main switch, fuses and circuit breakers such as the residual current device (RCD), or other similar materials installed by others and contained within the meter box which may fail during the Meter Services due to age, normal wear and tear, deterioration, defect, non-compliant with current industry regulations or codes, negligence, tampering, or lack of proper or routine maintenance. Further, the Company does not warrant against damage or defect caused by hot sockets, overcurrent, electrical arcing, or external factors such as electrical surges.

III. Customer acknowledges and agrees that the electric Utility Service will be temporarily disconnected to conduct the Meter Services. The Company shall not be liable for any damage, defect, or loss to household fixtures, including but not limited to fuse and circuit panels, wiring, receptacles and switches, appliances, electronics, lighting, or any other related appurtenances that rely on the electric Utility Service provided by Customer and may become damaged, defective, or otherwise affected due to the electrical Utility Service disruption. Customer assumes all risks associated with such disruption and agrees to indemnify, defend, and hold harmless the Company from any claims, liabilities, or losses arising therefrom.

E. Gas Utility Service.

I. The warranty is limited to the actual work performed to exchange or retrofit a gas index or SmartPoint to the existing gas meter. The Company will not disconnect the gas Utility Service or perform any other service to the existing gas utility meter during the Meter Service.

F. Limitations.

I. The Company does not warrant against defects to the work resulting from tamper, vandalism, negligence, “Acts-of-God”, pre-existing or uncontrollable conditions, or any service work or repair performed by third parties not hired by the Company.

II. Unless otherwise expressly provided herein, neither the Company, nor any of its suppliers, vendors, licensors, subcontractors, including employees, agents, or assigns thereof, warrants that the operation of the services will be uninterrupted or error free. Further, neither the Company, nor any of its suppliers, vendors, licensors, subcontractors, including employees, agents, or assigns thereof, will be responsible for (i) lost revenue, including revenue lost from third parties, persons, or entities, such as bills for electricity, lighting, gas, or water consumption; (ii) any In/Out Costs, where “In/Out Costs means any and all costs and expense incurred by Customer in transporting goods between Customer’s warehouse and Service Account, including any and all costs and expenses incurred in installing, uninstalling, and removing goods; and (iii) any manual meter reading costs and expenses.

III. The Company, nor any of its suppliers, vendors, subcontractors, or assigns including employees, agents, or assigns thereof, shall not be responsible for any Service Account in which it’s occupant(s) rely on the Utility Service for medical reasons, including proper function of certain medical equipment, and such Service Accounts have not been previously disclosed by Customer to the Company. In avoidance of doubt, the Company expressly disclaims liability for Service Accounts which require Utility Services to operate certain medical equipment including but not limited to breathing machines, respiratory devices, ventilators, cardiac pumps, apnea monitors, feeding equipment, dialysis, communication devices, or other similar devices. Customer will provide the Company with a list of all known or suspect Service Accounts which rely on constant Utility Services to operate medical equipment in advance of the Meter Services. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE STATE LAW(S), CLIENT SHALL HOLD THE COMPANY, ITS SUPPLIERS, SUBCONTRACTORS, OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, AND ASSIGNS HARMLESS FROM ANY AND ALL LOSSES, COSTS, FINES, PENALTIES, DAMAGES, AND OTHER AMOUNTS (INCLUDING REASONABLE ATTORNEY FEES) INCURRED BY, ASSESSED AGAINST, OR IMPOSED ON THE COMPANY AND ARISING FROM OR IN CONNECTION WITH ANY AND ALL THIRD PARTY SUITS, CLAIMS, ACTIONS OR DEMANDS FOR (I) PERSONAL INJURIES, DEATH OR (II) DAMAGE TO TANGIBLE PERSONAL AND REAL PROPERTY CAUSED BY CLIENT’S FAILURE TO COMPLY WITH THIS SECTION.

G. LIMITATIONS AND DISCLAIMERS OF LIABILITY.

I. LIMITATIONS. Unless otherwise expressly provided herein, neither the Company nor any of its service providers, licensors, employees or agents warrant that the operation of the Services will be uninterrupted or error free. The Company will not be responsible for any damages that Customer may suffer arising out of use, or inability to use, the Services, except to the extent such damages are directly caused by the Company's gross negligence or willful misconduct.

II. DISCLAIMER OF CERTAIN DAMAGES. IN NO EVENT SHALL ANY PARTY HAVE ANY LIABILITY TO ANOTHER PARTY HERETO FOR ANY LOST PROFITS (WHETHER DIRECT OR INDIRECT), LOSS OF USE, COSTS OF COVER, OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES HOWEVER CAUSED AND, WHETHER IN CONTRACT, TORT, WARRANTY OR UNDER ANY OTHER THEORY OF LIABILITY, WHETHER OR NOT THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE, EXCEPT TO THE EXTENT SUCH DAMAGES ARE DIRECTLY CAUSED BY THE COMPANY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

19. RETURN MATERIAL AUTHORIZATION. Product(s) returned for warranty and in accordance with Standard Supplier’s Warranty will be returned directly to the Supplier unless otherwise instructed by the Company. Customer shall submit a list of defective items with description of failure, Product(s) type(s), model(s), serial number(s) or identification number(s), and any additional pertinent information requested by the Company to identify the product in Excel format to rma-norcal@aqua-metric.com; rma-socal@aqua-metric.com; rma-texas@aqua-metric.com; or rma-louisiana@aqua-metric.com. The Company will generate a Return Material Authorization (“RMA”) form for the Customer to include with the Product(s) shipment to the Supplier. Customer will be responsible for any cost(s) incurred to return the Product(s) to the Supplier for warranty claims.

20. FORCE MAJEURE. The Company shall not be held liable for delay, suspension, or cancellation in fulfilling or failure to fulfill its obligations under this Agreement, if such delay or failure is caused by events beyond the Company’s reasonable control, including, without limitation, natural calamity, acts of God, terrorist events, pandemic, epidemic, strikes, lockouts or labor disruption, wars, riots or embargo delays, government allocations or priorities, shortages of transportation, fuel, labor, or materials, inability to produce or procure the products or raw materials, or any other circumstance or cause, including unforeseen cost(s) imposed upon the Company by its Suppliers or governmental mandate to furnish the Goods which may arise from circumstances beyond the Company’s reasonable control.

21. LIMITATION OF LIABILITY.

21.1. THE COMPANY’S AGGREGATE LIABILITY IN ANY AND ALL CAUSES OF ACTION ARISING UNDER, OUT OF OR IN RELATION TO THIS AGREEMENT, ITS NEGOTIATION, PERFORMANCE, BREACH OR

TERMINATION (COLLECTIVELY "CAUSES OF ACTION") SHALL NOT EXCEED THE TOTAL AMOUNT PAID BY CUSTOMER TO THE COMPANY UNDER THIS AGREEMENT. THIS LIMITATION OF LIABILITY SHALL APPLY REGARDLESS OF THE LEGAL THEORY UNDER WHICH THE CLAIM IS BROUGHT, INCLUDING BUT NOT LIMITED TO BREACH OF CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER LEGAL OR EQUITABLE THEORY.

21.2. AS A SEPARATE AND INDEPENDENT LIMITATION ON LIABILITY, THE COMPANY'S LIABILITY SHALL BE LIMITED TO DIRECT DAMAGES. THE COMPANY SHALL NOT BE LIABLE FOR: (I) ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES; NOR (II) ANY REVENUE OR PROFITS LOST BY CUSTOMER OR ITS AFFILIATES FROM ANY END USER IRRESPECTIVE OF WHETHER SUCH LOST REVENUE OR PROFITS IS CATEGORIZED AS DIRECT DAMAGES OR OTHERWISE, INCLUDING REVENUE LOST FROM THIRD PARTIES, PERSONS, OR ENTITIES, SUCH AS BILLS FOR ELECTRICITY, LIGHTING, GAS, OR WATER CONSUMPTION; NOR (III) ANY IN/OUT COSTS; NOR (IV) CLAIMS MADE BY A THIRD PARTY; NOR (V) MANUAL METER READ COSTS AND EXPENSES. "IN/OUT COSTS" MEANS ANY COSTS AND EXPENSES INCURRED BY CUSTOMER IN TRANSPORTING GOODS BETWEEN ITS WAREHOUSE AND ITS END USER'S PREMISES AND ANY COSTS AND EXPENSES INCURRED BY CUSTOMER IN INSTALLING, UNINSTALLING AND REMOVING GOODS. "END USER" MEANS ANY END USER OF ELECTRICITY/WATER/GAS THAT PAYS CUSTOMER FOR THE CONSUMPTION OF ELECTRICITY/WATER/GAS, AS APPLICABLE.

21.3. The limitations on liability set forth in this Agreement are fundamental inducements to the Company entering into this Agreement. They apply unconditionally and in all respects and shall be interpreted as broadly as possible to afford the Company the maximum protection permitted under law. To the fullest extent permitted by law, no Cause of Action may be instituted by Customer against the Company more than six (6) months after the Cause of Action first arose. In the calculation of any damages in any Cause of Action, no damages incurred more than six (6) months prior to the filing of the Cause of Action shall be recoverable. If Customer is not the sole end user and ultimate owner of the Deliverables, then Customer shall ensure by its contract with the end user and ultimate owner (collectively, "Owner") that the Company is given the benefit of the exclusions and limitations set out in these Terms. To the maximum extent permitted by law, Customer agrees to indemnify, defend, and hold harmless the Company from and against any and all claims, liabilities, losses, damages, costs, and expenses, including attorney's fees, arising from or related to any Owner's claims, to the extent that the Company would not be liable to Customer under these Terms if the claim had been made by Customer.

22. INDEMNIFICATION. To the maximum extent permitted by law, Customer agrees to defend, indemnify, and hold the Company harmless from any and all losses, costs, fines, penalties, damages, and other amounts, including reasonable attorney fees (collectively the "Losses"), incurred by, assessed against, or imposed on the Company arising from or in connection with Customer's use of the Goods, regardless of whether such Losses were caused in part by the Company's actions or omissions, except to the extent such Losses were solely and directly caused by the Company's willful misconduct or gross negligence.

23. CONFIDENTIAL INFORMATION. As used herein, "Confidential Information" refers to any non-public, proprietary, or sensitive information disclosed by one party to another party in connection with this Agreement, whether in written, oral, electronic, or any other form. Confidential Information includes without limitation business plans, strategies, financial data, pricing, contracts, trade secrets, proprietary technology, software, technical specifications, Customer data (such as billing account data, payment information), Supplier information, employee information, and any other work product or information marked or reasonably understood to be confidential. Each party shall hold the other party's Confidential Information in confidence and shall not disclose such Confidential Information to third parties other than to consultants or contractors, subject to similar terms of confidentiality, when disclosure is necessary for the purposes set forth herein, nor use the other party's Confidential Information for any purpose other than the purposes set forth under this Agreement. The foregoing restrictions on disclosure shall not apply to information which is: (i) already known by the public, (ii) becomes, through no act or fault of the recipient, publicly known, (iii) received by recipient from a third party without a restriction on disclosure or use, (iv) independently developed by recipient without reference to the other party's Confidential Information, or (v) is a public record under applicable laws, subject to the terms of this Section. The Customer will maintain the confidentiality of all Company Confidential Information, and the Company will maintain the confidentiality of all Customer Confidential Information, with each party taking all reasonable precautions to protect the same, and at a minimum taking those precautions used to protect its own Confidential Information from unauthorized use or disclosure.

24. ASSIGNMENT. Customer may not assign, transfer or delegate this Agreement or any part of Customer's rights or duties without prior written consent of the Company. Any attempted assignment in violation of this section shall be null and void.

25. GOVERNING LAW AND DISPUTE RESOLUTION. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to its conflict of laws principles. In the event of any dispute arising out of or relating to this Agreement, the parties agree that jurisdiction and venue shall be proper in the state and federal courts of California, or, where applicable, in the state where the transaction giving rise to the dispute occurred. The parties shall first attempt to resolve the matter through an informal dispute resolution process by making a good faith effort, either through email, mail, phone conference, in person meetings, or other reasonable means to resolve any claim, dispute, breach or other matter in question that may arise out of, or in connection with this Agreement. If the parties fail to resolve the dispute within sixty (60) days of the date of receipt of the notice of the dispute, then the parties shall submit the matter to non-binding mediation. If no resolution is reached after having completed these steps in good faith, any legal action shall be brought in the state or federal courts located in California, and both parties consent to the exclusive jurisdiction and venue of such courts unless otherwise agreed.

26. COMPLIANCE WITH LAWS. Customer shall at all times comply with all applicable laws and regulations, as they exist at the time of acceptance and as they may be amended, changed, or supplemented. Customer shall not take any action or permit any action by a third party that could result in the Company being held liable for any violation of applicable laws. Customer shall perform its obligations under this Agreement in strict compliance with all Laws applicable to Customer's business, activities, and facilities. "Laws" shall include and refer to any and all federal (national), state, provincial, municipal, or local laws, regulations, rules, judicial decrees, decisions and judgments, executive and government orders and ordinances, and any and all directives of regional legislative and regulatory bodies and implementing legislation, as well as rules and regulations of any self-regulatory organization by which any party may be bound. Customer agrees to indemnify, defend, and hold harmless the Company from and against any and all claims, liabilities, losses, damages, costs, and expenses arising from or related to Customer's failure to comply with this clause.

27. SEVERABILITY. In the event any provision of this Agreement is held to be void, unlawful or otherwise unenforceable, that provision will be severed from the remainder of the Agreement and replaced automatically by a provision containing terms as nearly like the void, unlawful, or unenforceable provision as possible; and the Agreement, as so modified, will continue to be in full force and effect.

28. NON-WAIVER. The failure, delay, or partial exercise by the Company in exercising any right, power, or privilege under this Agreement shall not be construed as a waiver of any such right, power, or privilege, nor shall it preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. Any waiver by the Company must be in writing and signed by an authorized representative of the Company to be effective.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: April 21, 2026

AGENDA ITEM CAPTION: Discussion regarding Project Ice House (Phase 1) with Techline Construction for system rehabilitation improvements to the LK20 feeder circuit in the amount of $324,970, and authorize the City Manager to execute all necessary documents.

ORIGINATING DEPARTMENT AND CONTACT: Electric - Bobby Leos

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: Project Ice House is a continuation of system improvements previously initiated through an engineering design contract with M&S Engineering for upgrades to the LK20 feeder circuit. The project involves re-conductoring approximately 6,600 feet of existing single- and three-phase overhead aluminum conductor to a three-phase, larger-gauge 477 AAC aluminum conductor, along with the installation of new air break switches.

This project is intended to improve the reliability and capacity of the LK20 feeder circuit by replacing aging and, in some areas, undersized infrastructure that is vulnerable to peak load demands and severe weather conditions. The improvements will enhance system performance and reduce the risk of outages.

The total estimated cost for Phase 1 of the Ice House Project is $324,970, which includes labor, equipment, and travel. Phase 2 of the project will be budgeted and brought back to City Council for consideration as part of the Fiscal Year Ending (FYE) 2027 budget process.

If approved, construction of Phase 1 is anticipated to commence following completion of Project No. 6 by Techline, currently expected in the third quarter of 2026 (June–August).

Techline Construction is LCRA's preferred contractor for high-voltage line work and has performed the majority of Lower Colorado River Authority (LCRA) projects for the City of Lockhart since 1995. Their experience with similar system rehabilitation projects ensures consistency with LCRA standards and reliable project delivery.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:
Funds Required: 324,970
Account Number: 500-5745-911
Funds Available: 324,970
Account Name: Construction/Project Improvement

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

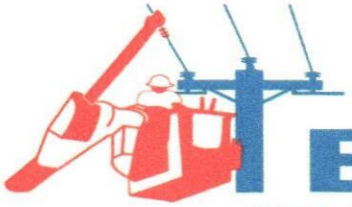
FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Electric Superintendent recommends approval.

LIST OF SUPPORTING DOCUMENTS: Techline labor travel and equipment



TECHLINE
CONSTRUCTION, LLC

9609 BECK CIRCLE
AUSTIN, TEXAS 78758
DON LAWYER (903) 603-6260

April 6, 2026

City of Lockhart
Attn: Bobby Leos

RE: Ice House

Dear Bobby,

Thank you for giving Techline Construction, LLC the opportunity to quote on the Ice House Project. The estimated total for this project is $324,970.00. 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: April 21, 2026

AGENDA ITEM CAPTION: Discussion regarding the Indoor Recreation Center project, including consideration of Phase 1 of a new Recreation Center or renovation of the Old Town Movie Theater, and authorize the City Manager to negotiate a design contract with Barker-Rinker-Seacat (BRS) and return to City Council for consideration.

ORIGINATING DEPARTMENT AND CONTACT: Parks & Recreation - Travis Hughes

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: City Council selected Barker-Rinker-Seacat (BRS) in September 2025 to provide architectural and design services for the Indoor Recreation Center project. The project was structured in two phases, with Phase 1 consisting of a feasibility study, conceptual design, construction pricing, and operational planning, and Phase 2 including final design, construction documents, bidding, and construction oversight.

The attached feasibility study and presentation summarize the results of a multi-month planning process that included public engagement, stakeholder workshops, and Steering Committee input. A total of 467 community responses were received, with 84% indicating that providing an indoor recreation center is very important to the community. An indoor recreation center has also been identified as a community priority in the City's Lockhart Looking Forward Comprehensive Plan and the Parks, Recreation & Open Space Master Plan. The facility is envisioned to include open and flexible spaces capable of supporting a variety of recreational activities and special events, ensuring broad utilization by the Lockhart community.

The study presents two options for Council consideration:

Option 1 – New Recreation Center (Phase 1): Development of an initial phase of a new recreation facility adjacent to the Aquatics Center, consisting of approximately 20,000 square feet, including a gym, walking track, fitness space, and classroom space, with an estimated cost of approximately $11.5 million.

Option 2 – Theater Renovation: Adaptive reuse of the Old Town Movie Theater into a recreation-focused facility, with conceptual designs illustrating flexible, multi-use programming space aligned with community needs and indoor recreation demand, consisting of approximately 13,800 square feet of indoor space, with an estimated cost of approximately $12 million.

This agenda item is intended to obtain Council direction on the preferred path forward. Based on Council direction, the City Manager will negotiate a design contract with BRS and return to City Council for review and consideration. If approved, the design team will proceed with Phase 2 of the project, including final design, construction documents, bidding, and

construction administration.

Funding for the selected option is anticipated through a 2026 Certificate of Obligation (CO) issuance, which will be presented to City Council at the next meeting based on Council direction. A refined Opinion of Probable Construction Cost (OPCC) will also be developed and presented at the 30% design milestone.

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: Provide direction on the preferred project option (new Recreation Center Phase 1 or theater renovation) and authorize the City Manager to negotiate a design contract with Barker-Rinker-Seacat (BRS) and return to City Council for review and consideration.

LIST OF SUPPORTING DOCUMENTS: 26.04.21 LRC - Council Presentation

BARKER RINKER SEACAT ARCHITECTURE

Lockhart TEXAS

LOCKHART INDOOR RECREATION FEASIBILITY STUDY



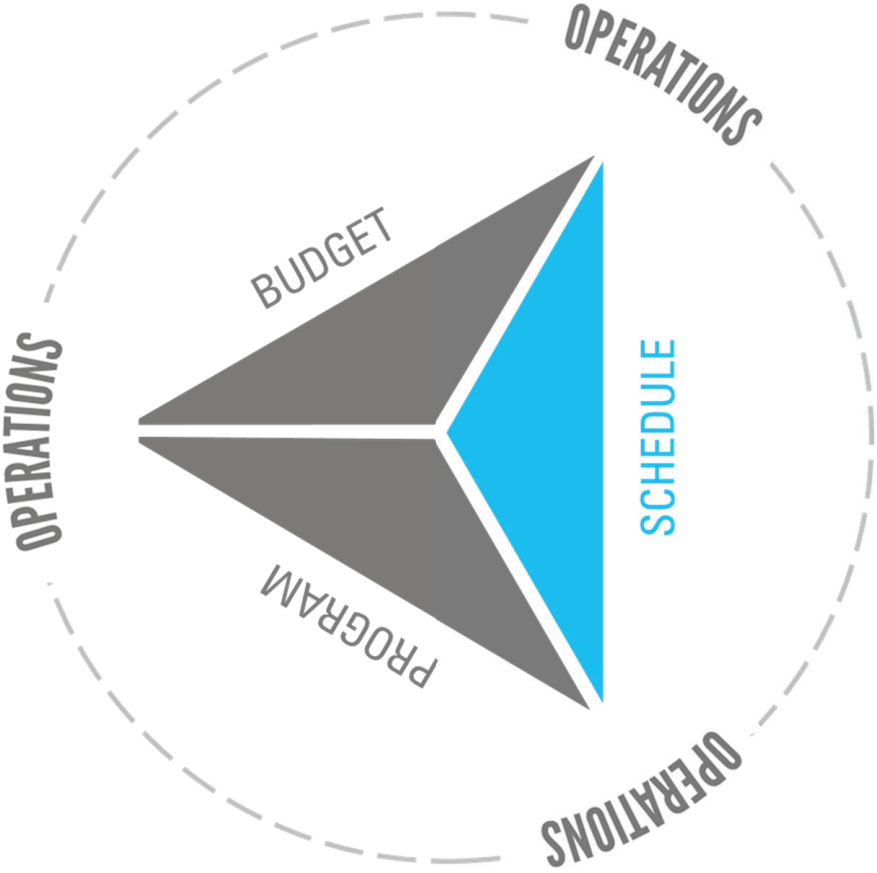
COUNCIL PRESENTATION

APRIL 21, 2026

STEERING COMMITTEE MEMBERS

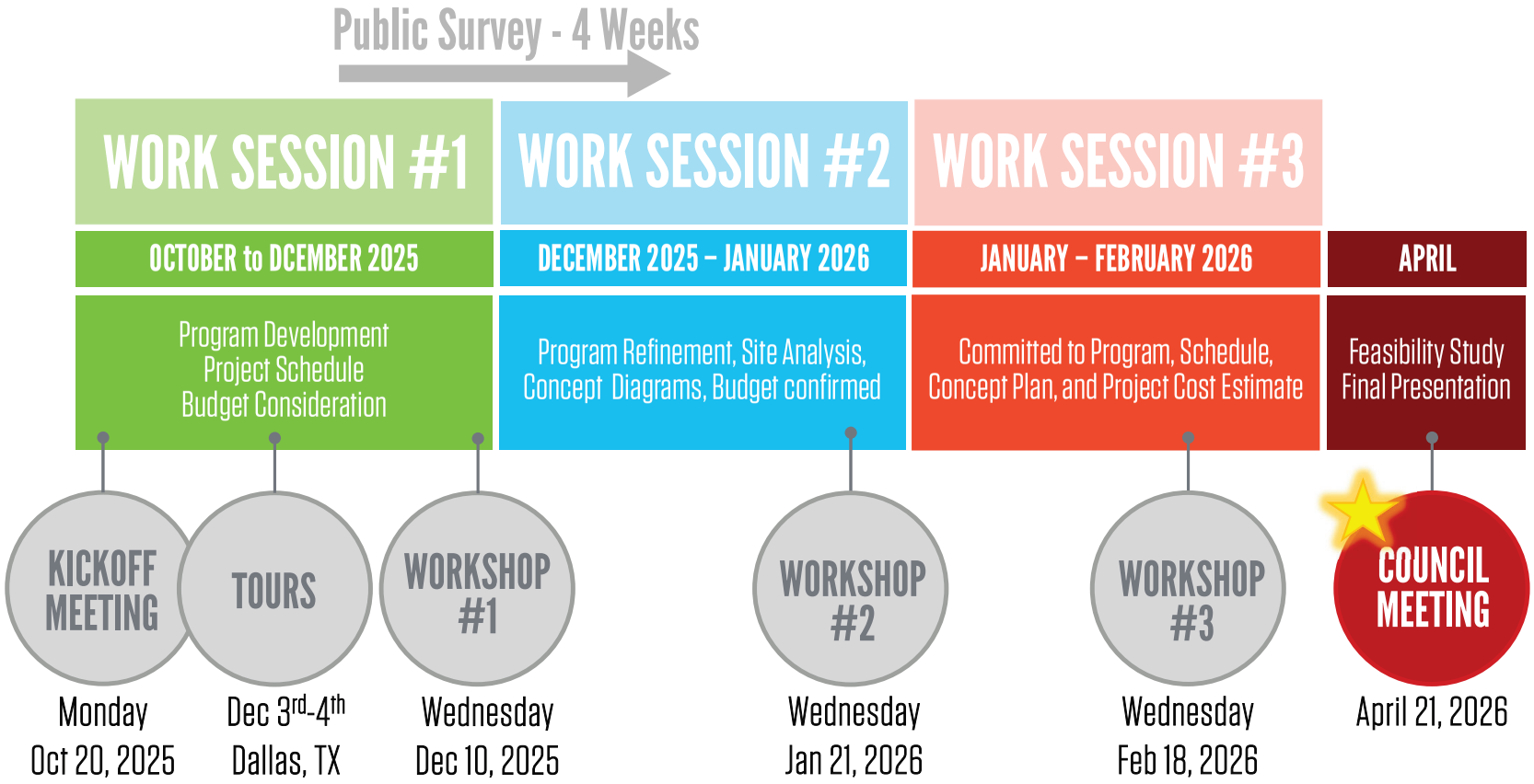
Travis Hughes	Director of Parks & Recreation
Karla Tate	Parks & Recreation Board
Melinda Kirst	Parks & Recreation Board
Jeremiah Chapman	LISD
BJ Westmoreland	County Commissioner
Chris St. Leger	Citizen
Sara Partridge	Citizen
Len Gabbay	Citizen
Tim Torres	Citizen

PROCESS


OPERATIONS
BUDGET
SCHEDULE
PROGRAM
OPERATIONS
OPERATIONS

SCHEDULE

PROJECT SCHEDULE








TOUR TOUR TOUR

Six Recreation Facilities in DFW - December 3-4






PUBLIC SURVEY

City of Lockhart - City Government
November 13, 2025 ·

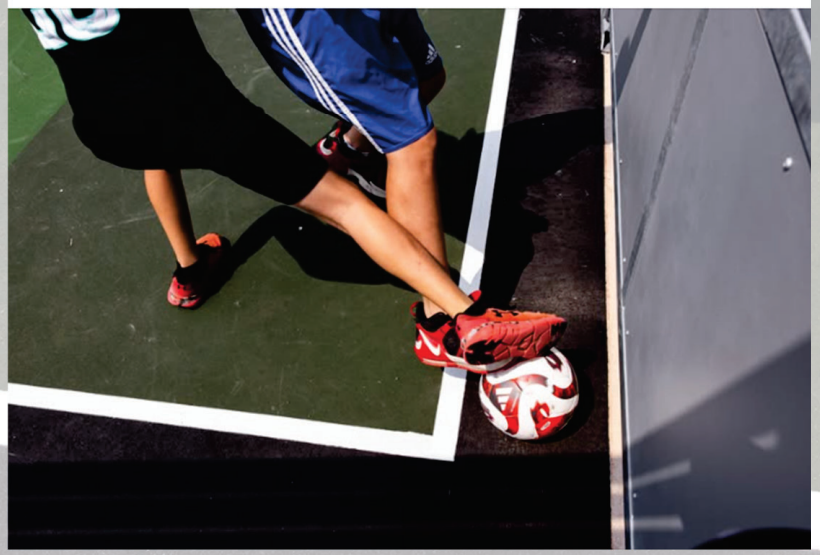
The City of Lockhart is kicking off a community planning effort to explore options for indoor recreation and we want to hear from you!

Your feedback will help us understand what types of spaces and programs residents would like to see, and guide decisions on whether to renovate, replace, or build new recreation facilities in Lockhart.

🕒 The survey takes just 10–15 minutes to complete, and your input will play a key role in shaping future recreation opportunities for our community.

📋 Take the Recreation Center Survey here: https://forms.microsoft.com/r/y4RKA2YZNk

Thank you for helping us plan for a healthier, more active Lockhart! 💪



2025 City of Lockhart Recreation Center Survey

The City of Lockhart is excited to announce the launch of a feasibility study aimed at assessing citizen interest in indoor recreation. Your participation in this survey is essential to help us understand the community's desired level of service and to determine how we renovate, replace, or construct additional facilities. This survey will take 10-15 minutes to complete, and we sincerely appreciate your participation and feedback. Thank you for being a vital part of shaping the future of our community!

When you submit this form, it will not automatically collect your details like name and email address unless you provide it yourself.

* Required

1. Including yourself, what are the age ranges of the people in your household?

1. Under age 5
2. Ages 5-12
3. Ages 12-17
4. Ages 18-24
5. Ages 25-44
6. Ages 45-54
7. Ages 55-64
8. Ages 65-74
9. Ages 75+

*

Enter your answer

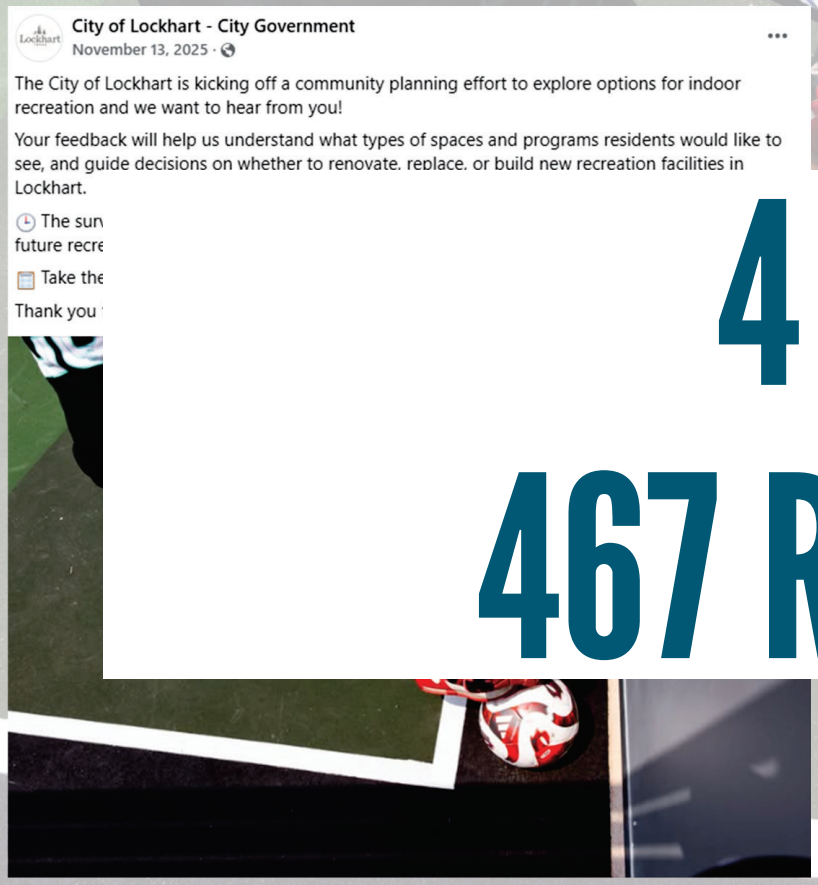
2. Do you or members of your household currently use indoor facilities that could include but are not limited to; community center, recreation center, aquatics centers, senior centers, or wellness facilities?
*

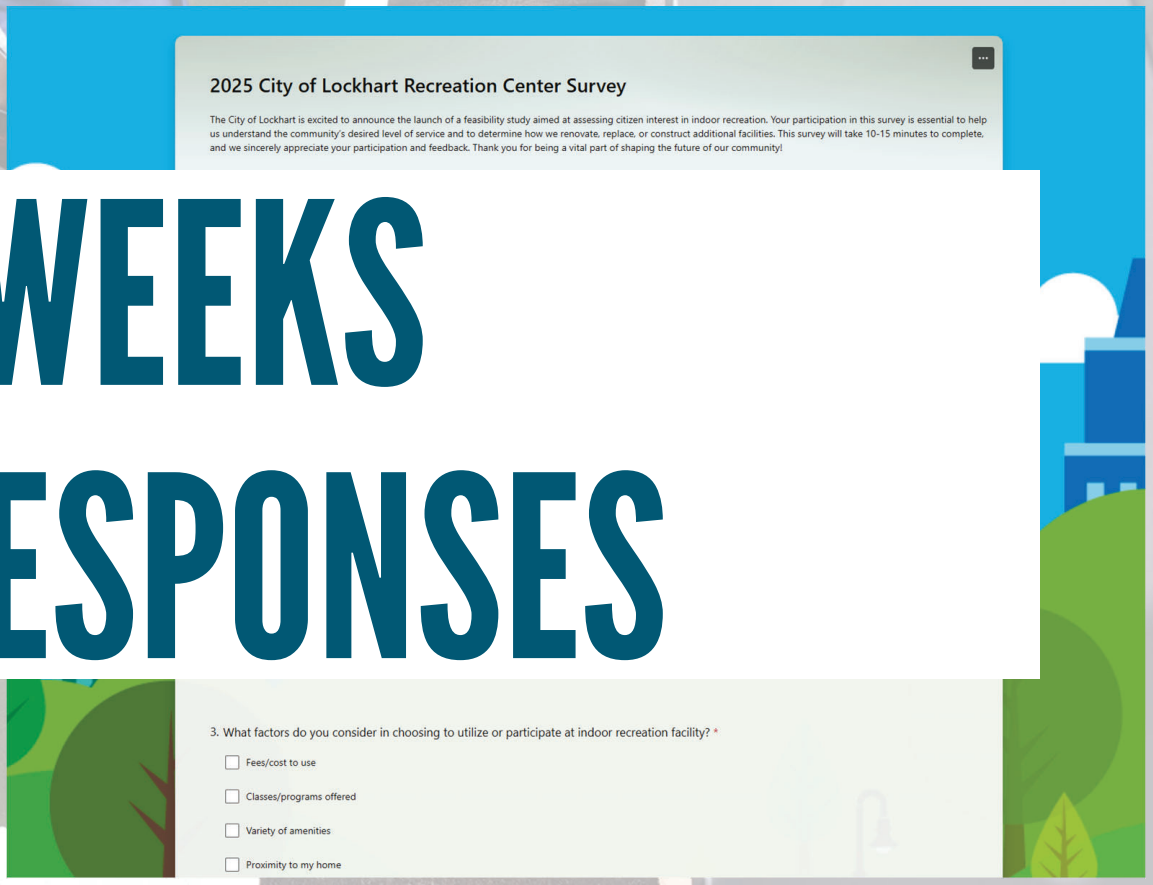
- ◯ Yes
- ◯ No

3. What factors do you consider in choosing to utilize or participate at indoor recreation facility? *

- ☐ Fees/cost to use
- ☐ Classes/programs offered
- ☐ Variety of amenities
- ☐ Proximity to my home

PUBLIC SURVEY





4 WEEKS

467 RESPONSES

MISSION, VISION, & GOALS

FEASIBILITY STUDY GOALS AND OBJECTIVES

Assess, envision, and design a new indoor recreation facility for Lockhart by retrofitting an existing building, AND assess and plan for a future recreation center, ensuring they both meet community needs and allow the maximum percentage of the population to benefit from them.

FEASIBILITY STUDY GOALS AND OBJECTIVES

KEY AREAS:

- Identify Indoor Recreation Needs for Lockhart system-wide: conduct a needs assessment, determine what programs and services the community desires to ensure concept designs are aligned with those community needs.

FEASIBILITY STUDY GOALS AND OBJECTIVES

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- Identify Indoor Recreation Needs for Lockhart system-wide: conduct a needs assessment, determine what programs and services the community desires to ensure concept designs are aligned with those community needs.

- Develop Recreation Center and Amenity Concepts: ensure the Recreation Center concept designs support the desired programming needs, ensure spaces are multi-functional, and ensure design is flexible to grow with the City and adapt to changing community needs.

FEASIBILITY STUDY GOALS AND OBJECTIVES

KEY AREAS:

- Identify Indoor Recreation Needs for Lockhart system-wide: conduct a needs assessment, determine what programs and services the community desires to ensure concept designs are aligned with those community needs.

- Develop Recreation Center and Amenity Concepts: ensure the Recreation Center concept designs support the desired programming needs, ensure spaces are multi-functional, and ensure design is flexible to grow with the City and adapt to changing community needs.

- (NEXT): Finalize Design & Manage the Construction of the new Recreation Center

HOPES AND DREAMS
FOR LOCKHART RECREATION CENTERS

UNIVERSAL ACCESS	Create a space where every citizen of Lockhart belongs.
ACTIVE LONGEVITY	Promote lifelong health through movement, education, and youth + senior engagement.
ADAPTIVE REUSE	Transform a city asset (an empty theater) into a unique, functional landmark that the community is proud of.
CATALYTIC IMPACT	Provide a foundational "win" that justifies future recreation investments.

FEARS AND CONCERNS
FOR LOCKHART RECREATION CENTERS

PUBLIC PERCEPTION	Managing expectations	Failure here could kill momentum for a larger, permanent facility.
GEOGRAPHIC EQUITY	Poor transit/location	Theater site may limit use to those with vehicles, contradicting inclusivity goals.
FUNCTIONAL DESIGN	Lack of space & light	An unpleasant or cramped environment may lead to low retention and one-time users.
FISCAL VIABILITY	Operation vs. Affordability	High overhead may force membership fees that price out low-income residents.

VISION STATEMENT

The Lockhart Recreation Center will **foster health and community growth** through the adaptive reuse of a city asset.

By transforming an empty theater into a functional landmark that **drives inclusivity, active longevity and universal access**, the project will ensure every citizen feels a true sense of belonging.

By establishing a **strategic foundation for indoor recreation** in the short term, we are building a vibrant, healthy, and connected Lockhart for the generations of tomorrow.

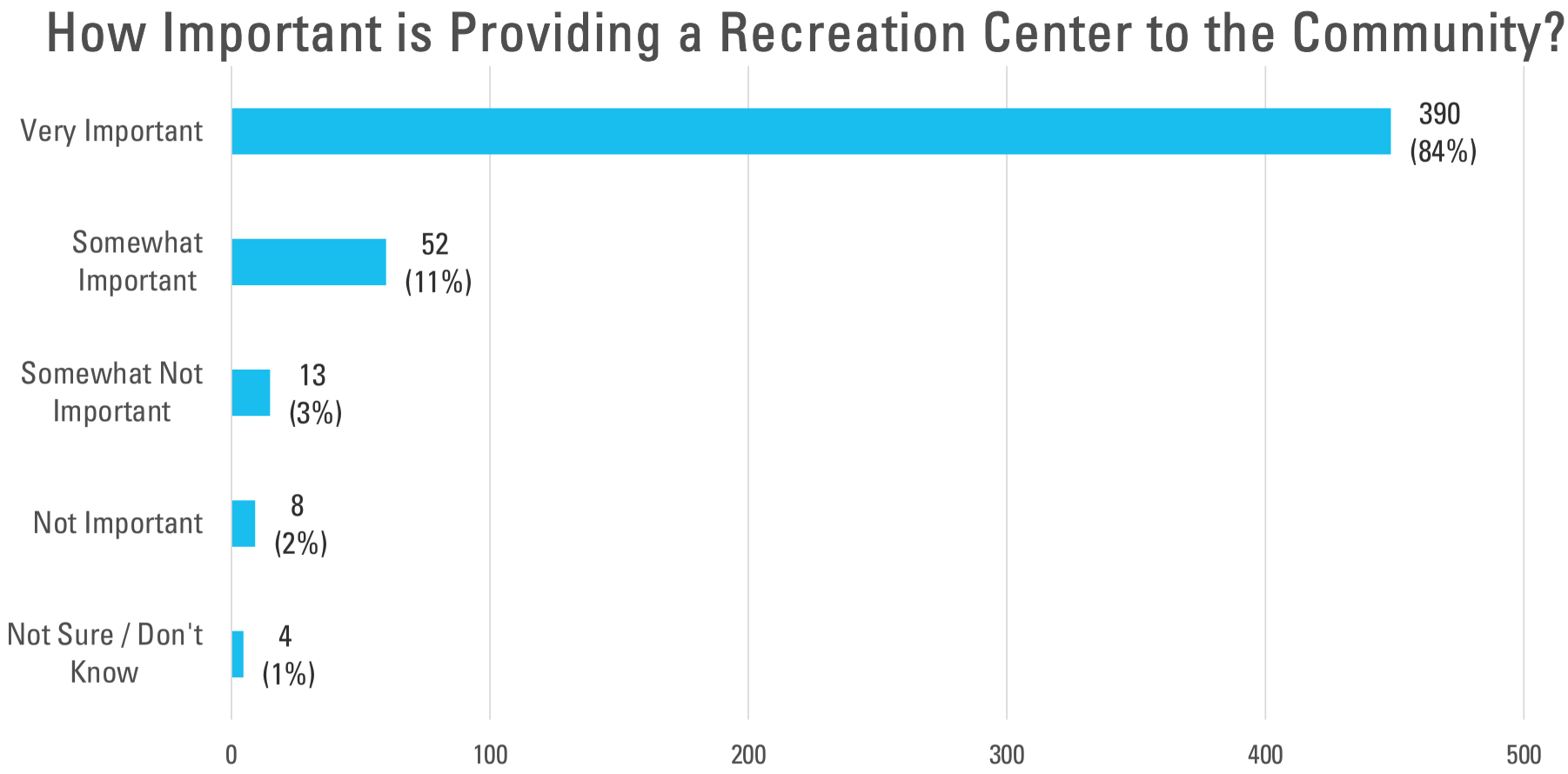


SURVEY RESULTS

467 RESIDENT RESPONSES

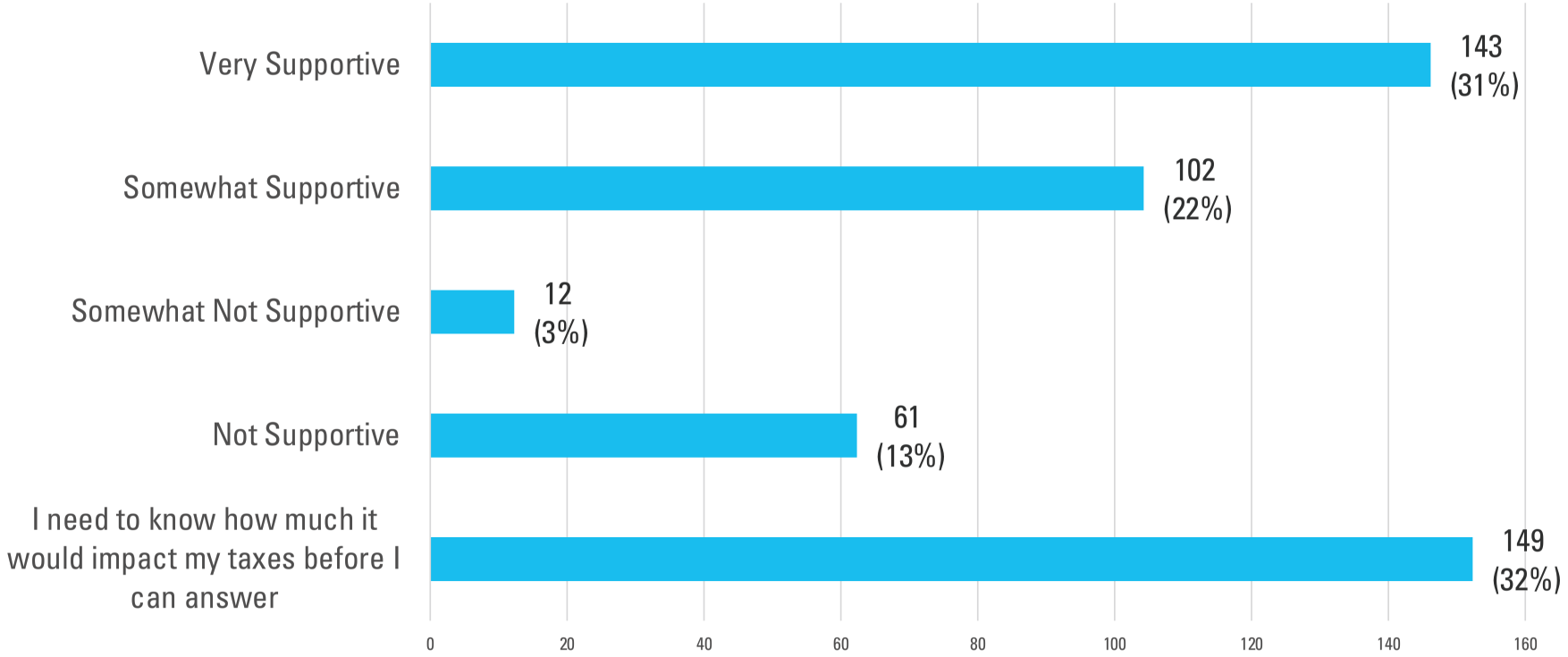
VALUE OF A REC CENTER

SURVEY

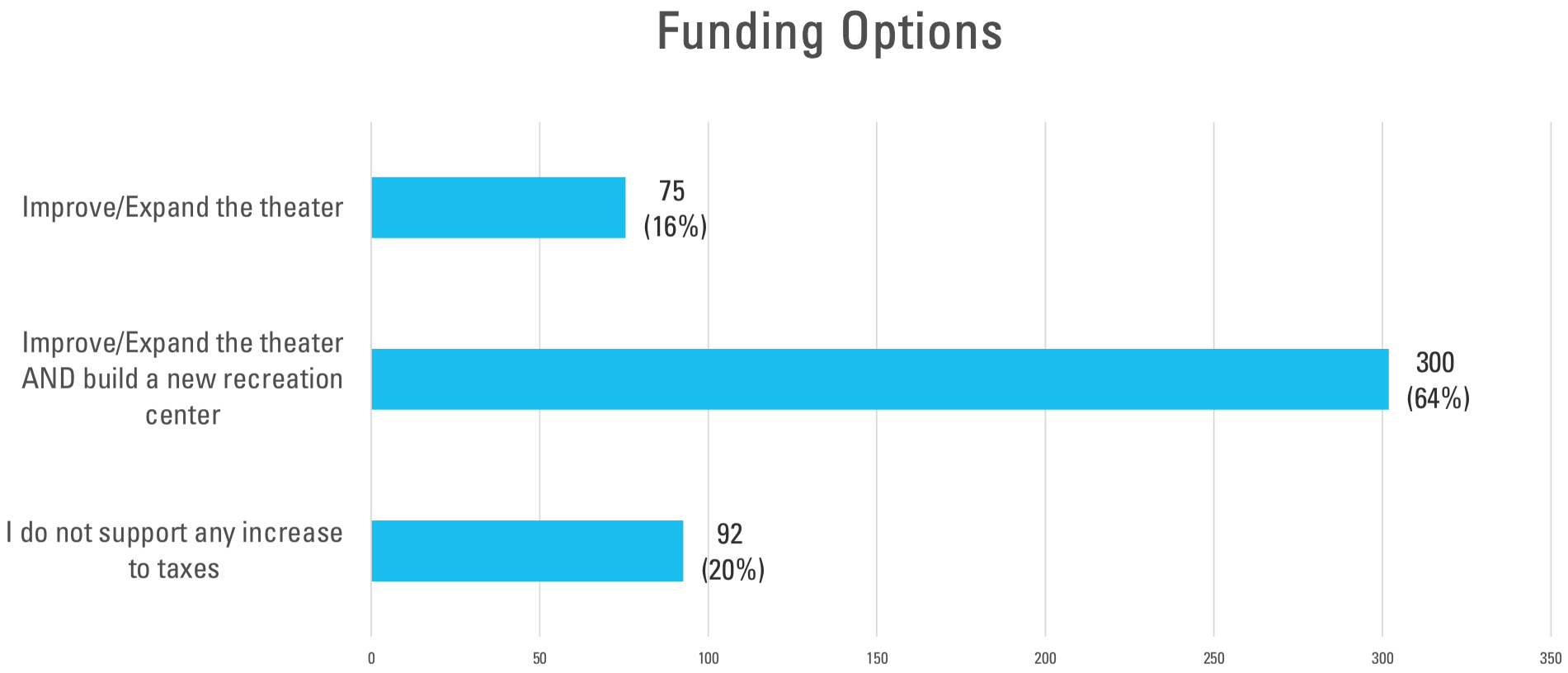

How Important is Providing a Recreation Center to the Community?
Very Important
390
(84%)
Somewhat Important
52
(11%)
Somewhat Not Important
13
(3%)
Not Important
8
(2%)
Not Sure / Don't Know
4
(1%)
0
100
200
300
400
500

SURVEY

Support of a Property Tax Increase to Fund a Rec Center

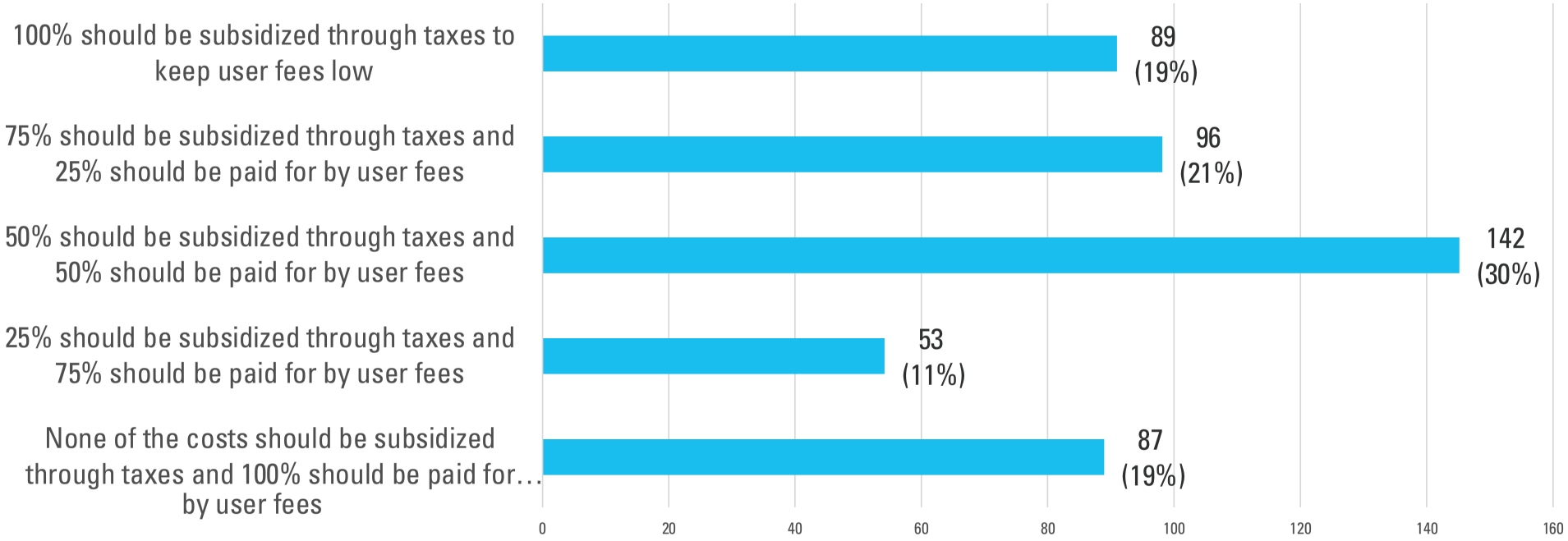


SURVEY


Funding Options
Improve/Expand the theater
75
(16%)
Improve/Expand the theater AND build a new recreation center
300
(64%)
I do not support any increase to taxes
92
(20%)
0
50
100
150
200
250
300
350

SURVEY

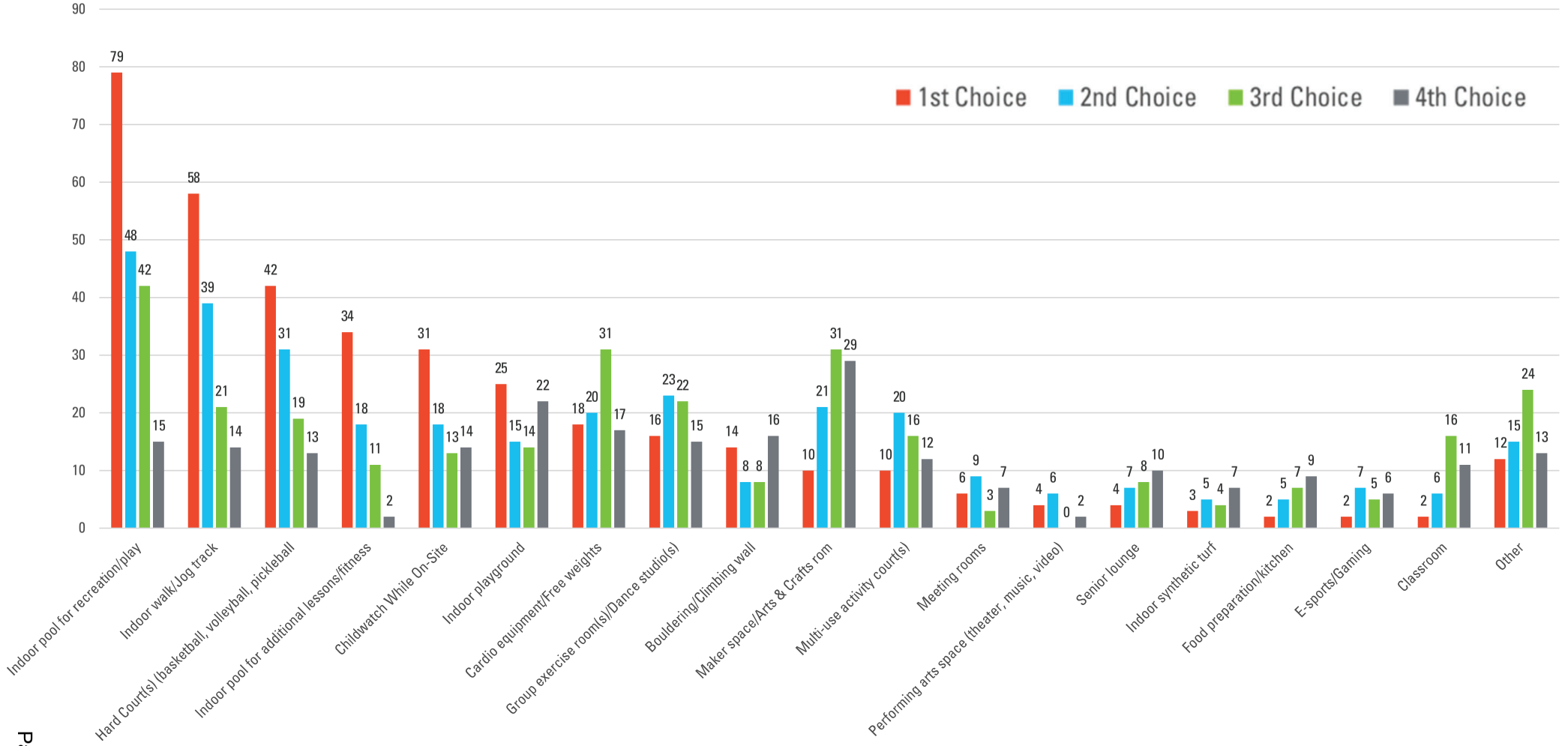
How should costs be subsidized?



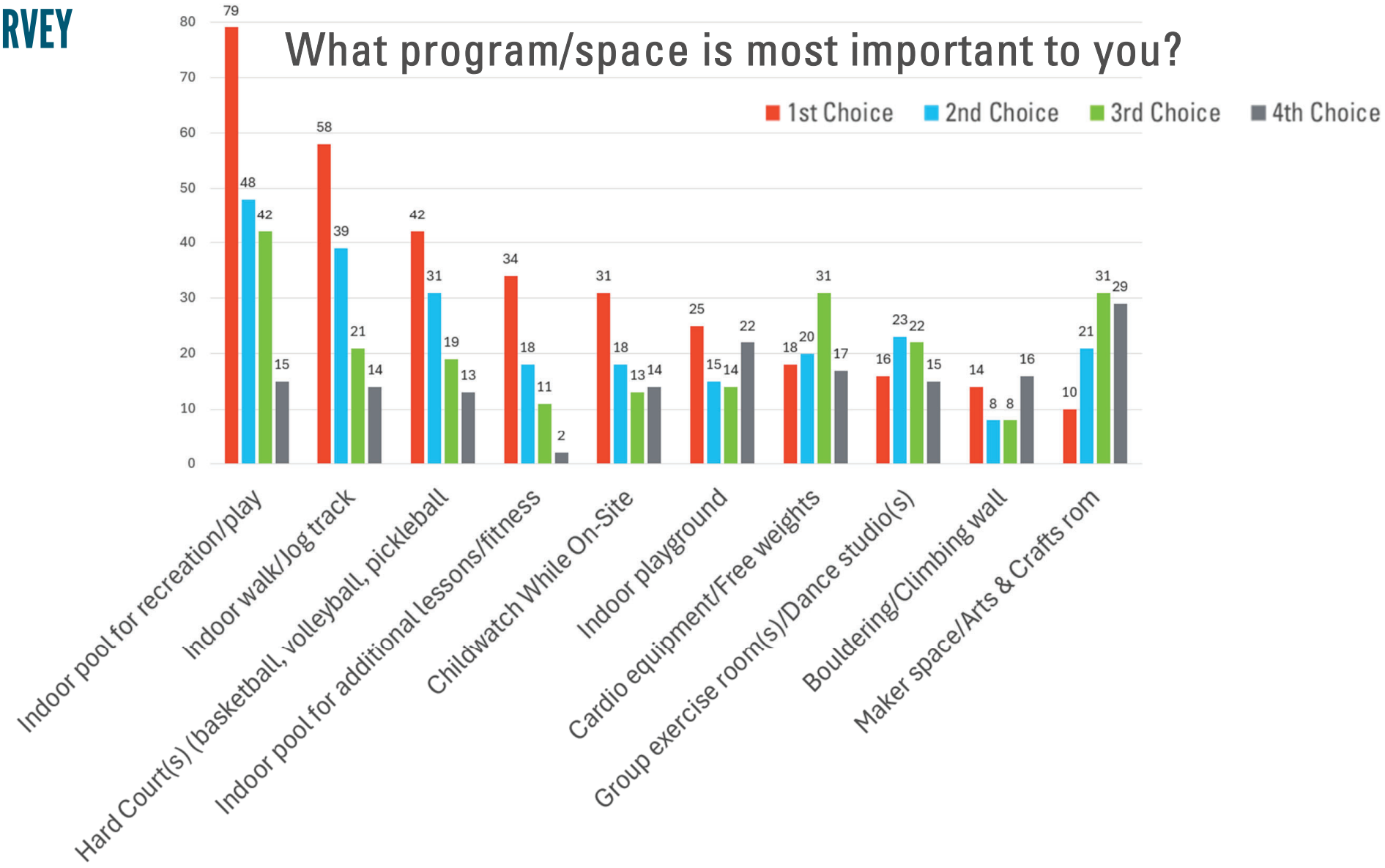
PROGRAMMING

SURVEY

What program/space is most important to you?

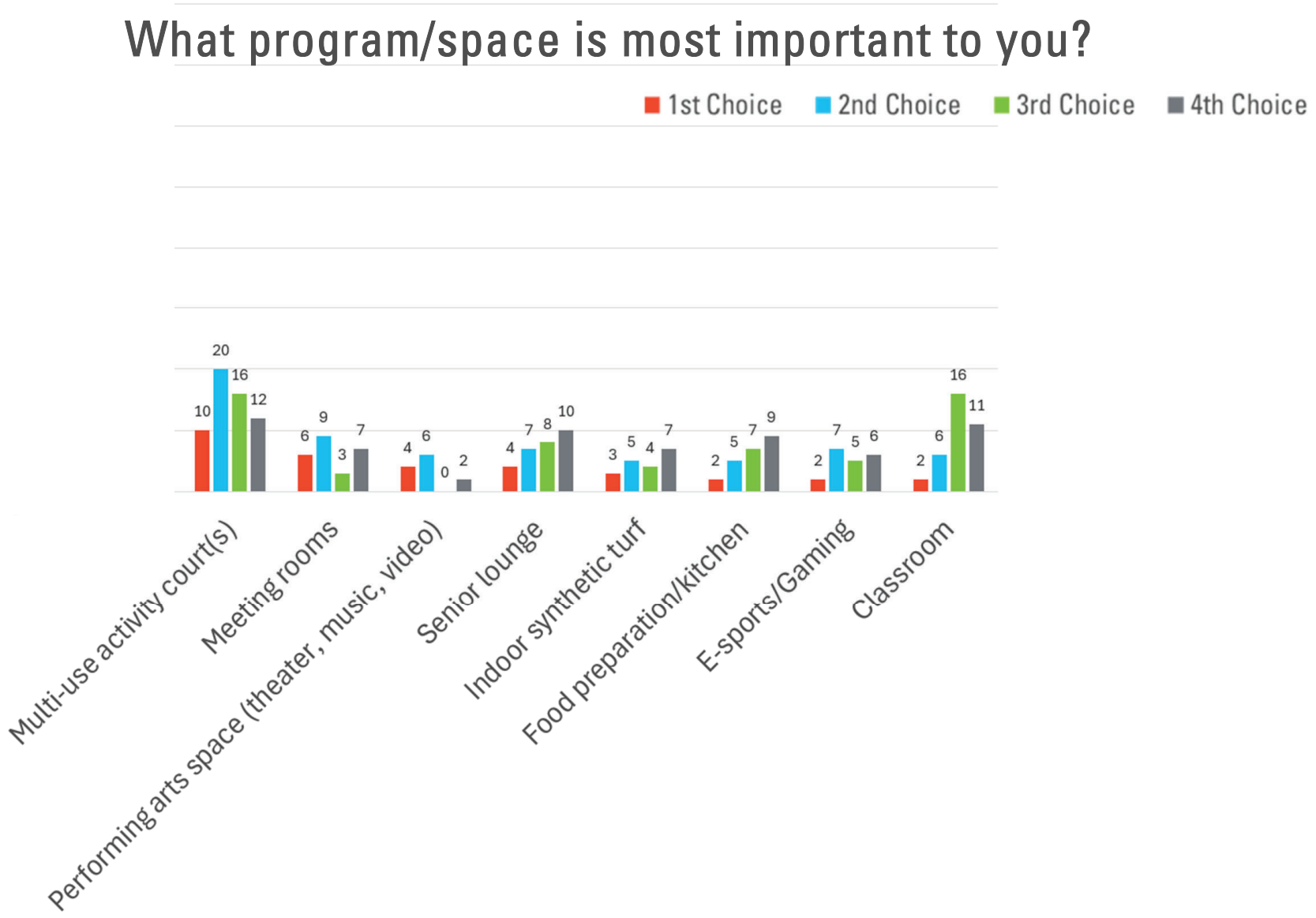


SURVEY


What program/space is most important to you?
1st Choice
2nd Choice
3rd Choice
4th Choice
0
10
20
30
40
50
60
70
80
79
48
42
15
58
39
21
14
42
31
19
13
34
18
11
2
31
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13
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31
17
16
23
22
15
14
8
8
16
10
21
31
29
Indoor pool for recreation/play
Indoor walk/Jog track
Hard Court(s) (basketball, volleyball, pickleball
Indoor pool for additional lessons/fitness
Childwatch While On-Site
Indoor playground
Cardio equipment/Free weights
Group exercise room(s)/Dance studio(s)
Bouldering/Climbing wall
Maker space/Arts & Crafts rom

SURVEY

What program/space is most important to you?



SURVEY

Aquatics

Fitness

Community

1. Indoor Leisure Activity Pool
2. Indoor walk/jog track
3. Hard Courts (basketball, volleyball, pickleball)
4. Indoor Pool for Lessons/Fitness
5. Child Watch
6. Indoor Playground
7. Cardio Equipment / Free Weights
8. Group Exercise Room / Dance Studio
9. Bouldering / Climbing Wall
10. Maker Space / Arts & Crafts Room
11. Multi-use Activity Court
12. Meeting Rooms
13. Performing Arts Space (theater, music, video)
14. Senior Lounge
15. Indoor Synthetic Turf
16. Food prep / kitchen
17. E-sports / Gaming
18. Classroom

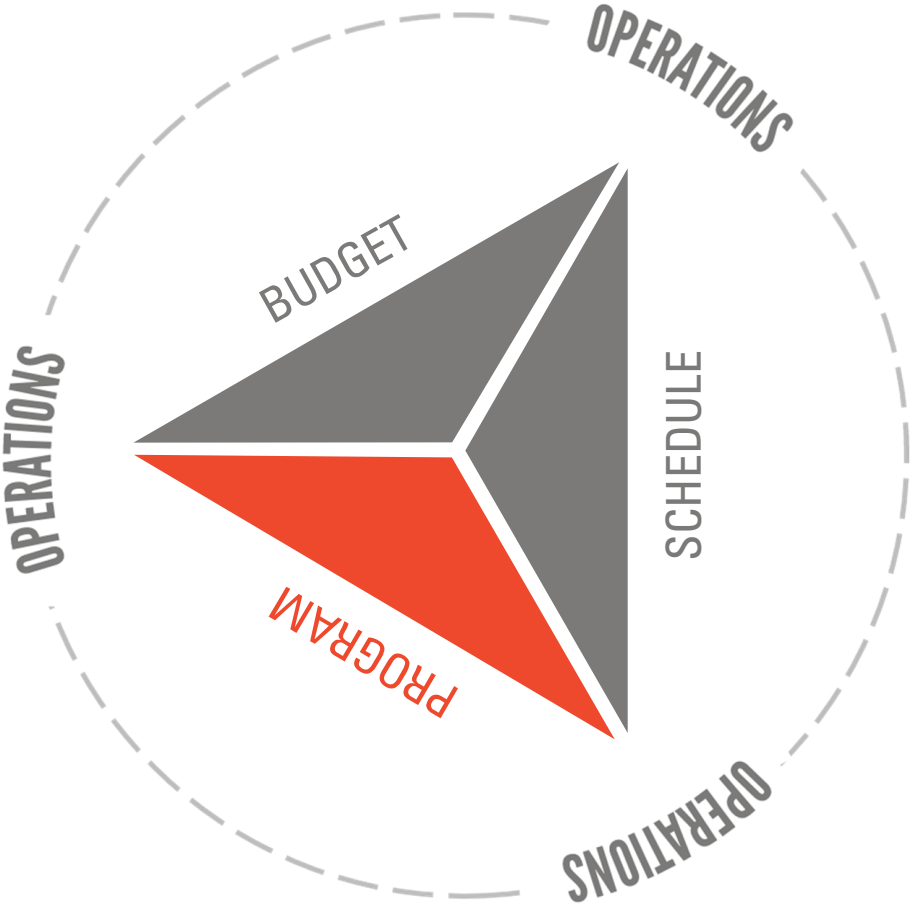
Key Findings

Providing Indoor Recreation is Very Important – 84% Agree

Respondents are Willing to Contribute to the Cost –
53% are Supportive of a Property Tax Increase
(with another 32% undecided)

Lockhart should renovate the movie theater AND build a new recreation center – 64% Agree

Respondents will get behind the things they believe will improve the community and will support it at a bond ballot.

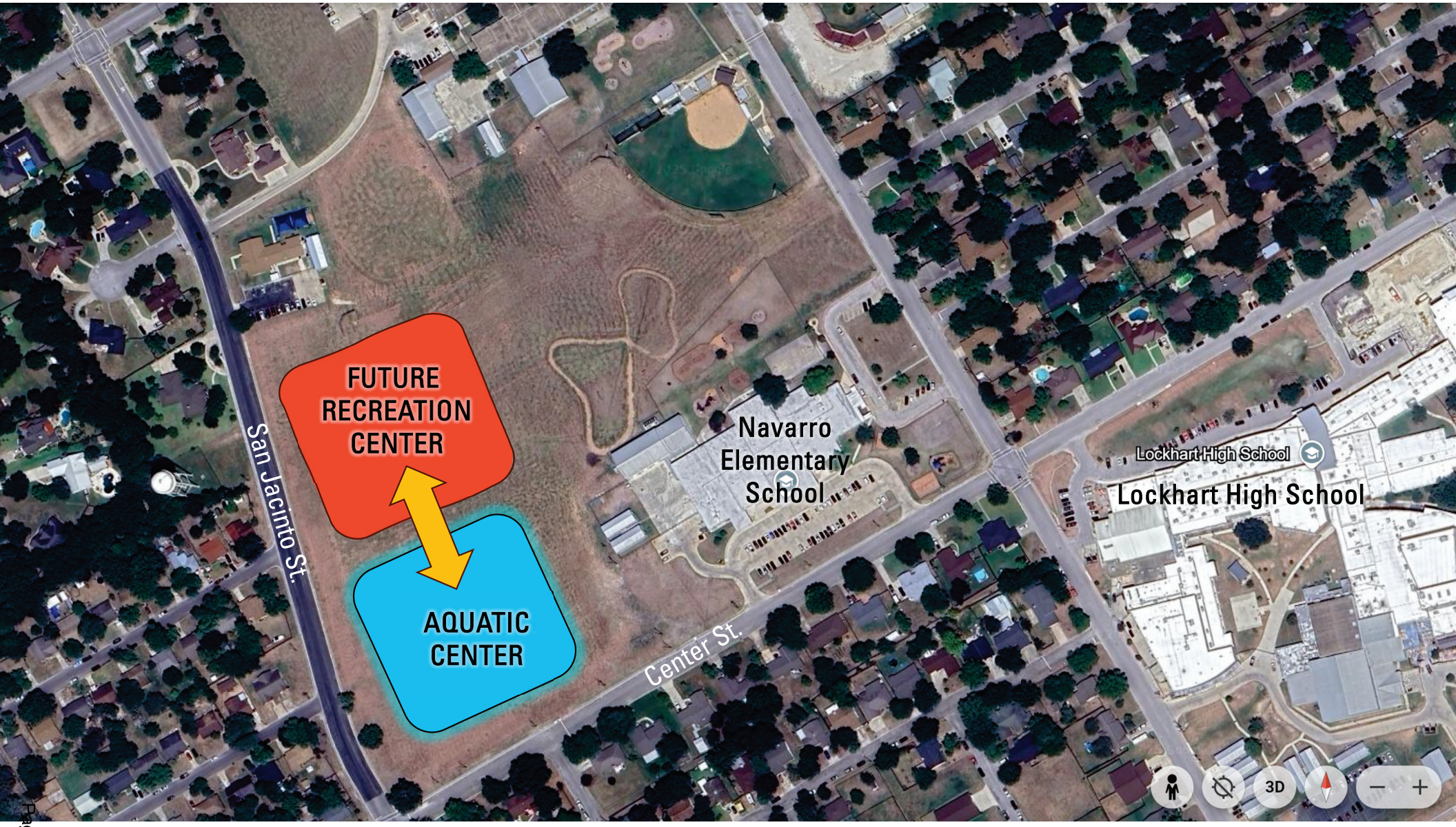

OPERATIONS
BUDGET
SCHEDULE
PROGRAM
OPERATIONS
OPERATIONS

PROGRAM

NEW AQUATIC CENTER



NEW REC CENTER


FUTURE RECREATION CENTER
AQUATIC CENTER
San Jacinto St.
Center St.
Navarro Elementary School
Lockhart High School
Lockhart High School
3D

BRS CARD GAME



BRS CARD GAME RESULTS BY PRIORITY

1. Gym G – Collegiate / 3 HS
2. Child Watch
3. Early Learning Room
4. Radio & Podcast Studio
5. Adventure / Hill Course Track
6. 8,000 SF Fitness & Weights
7. MAC A – Multi Activity Court
8. Party Room (x2)
9. Food & Beverage
10. Merchandise Sales
11. Multi-generational Games Lounge
12. 15-20 Person Aerobics/Dance Studio
13. 30-35 Person Aerobics/Dance Studio
14. 16-20 Person Spinning Studio
15. 300 Person Community / Events Hall
16. Catering Kitchen
17. 6-Lane x 25-Yard Pool
18. Therapy Pool
19. Small Indoor Turf Training Area
20. Senior Adult Lounge
21. Wet Arts & Crafts Room
22. Esports Gaming Room
23. 80 Person Classroom
24. 4,500 Recreation Activity Pool
25. Maker Spaces
26. Art Display / Gallery
27. Water Slide
28. Video Gaming
29. Outdoor Patio / Gathering Space
30. Dry Sauna
31. Bouldering Wall
32. Outdoor Playground

RECOMMENDED SYSTEMWIDE SYNTHESIZED PROGRAM

1. Gym G – Collegiate / 3 HS
2. Child Watch
3. Adventure / Hill Course Track
4. 8,000 SF Fitness & Weights
5. MAC A – Multi Activity Court
6. 15-20 Person Aerobics/Dance Studio
7. 30-35 Person Aerobics/Dance Studio
8. 6-Lane x 25-Yard Pool
9. Early Learning Room
10. Radio & Podcast Studio
11. 4,500 Recreation Activity Pool
12. Party Room (x2)
13. 300 Person Community / Events Hall
14. Food & Beverage
15. Merchandise Sales
16. Multi-generational Games Lounge
17. Wet Arts & Crafts Room
18. Catering Kitchen
19. 16-20 Person Spinning Studio
20. Small Indoor Turf Training Area
21. Senior Adult Lounge
22. Maker Spaces
23. Therapy Pool
24. Esports Gaming Room
25. Indoor Playground
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28. Art Display / Gallery
29. Water Slide
30. Video Gaming
31. Performing arts space (theater, music, video)
32. Outdoor Patio / Gathering Space
33. Dry Sauna
34. Outdoor Playground

RECOMMENDED SYSTEMWIDE SYNTHESIZED PROGRAM

1. Gym G – Collegiate / 3 HS
2. Child Watch
3. Adventure / Hill Course Track
4. 8,000 SF Fitness & Weights
5. MAC A – Multi Activity Court
6. 15-20 Person Aerobics/Dance Studio
7. 30-35 Person Aerobics/Dance Studio
8. 6-Lane x 25-Yard Pool
9. Early Learning Room
10. Radio & Podcast Studio
11. 4,500 Recreation Activity Pool
12. Party Room (x2)
13. 300 Person Community / Events Hall
14. Food & Beverage
15. Merchandise Sales
16. Multi-generational Games Lounge
17. Wet Arts & Crafts Room
18. Catering Kitchen
19. 16-20 Person Spinning Studio
20. Small Indoor Turf Training Area
21. Senior Adult Lounge
22. Maker Spaces
23. Therapy Pool
24. Esports Gaming Room
25. Indoor Playground
26. Bouldering Wall
27. 80 Person Classroom
28. Art Display / Gallery
29. Water Slide
30. Video Gaming
31. Performing arts space (theater, music, video)
32. Outdoor Patio / Gathering Space
33. Dry Sauna
34. Outdoor Playground


FUTURE REC CENTER
BARKER
RINKER
SEACAT
ARCHITECTURE

Future Recreation Center Full Meal Deal



Building Size: 130,000 GSF
Estimated Cost: $93 M

450 req'd parking spaces

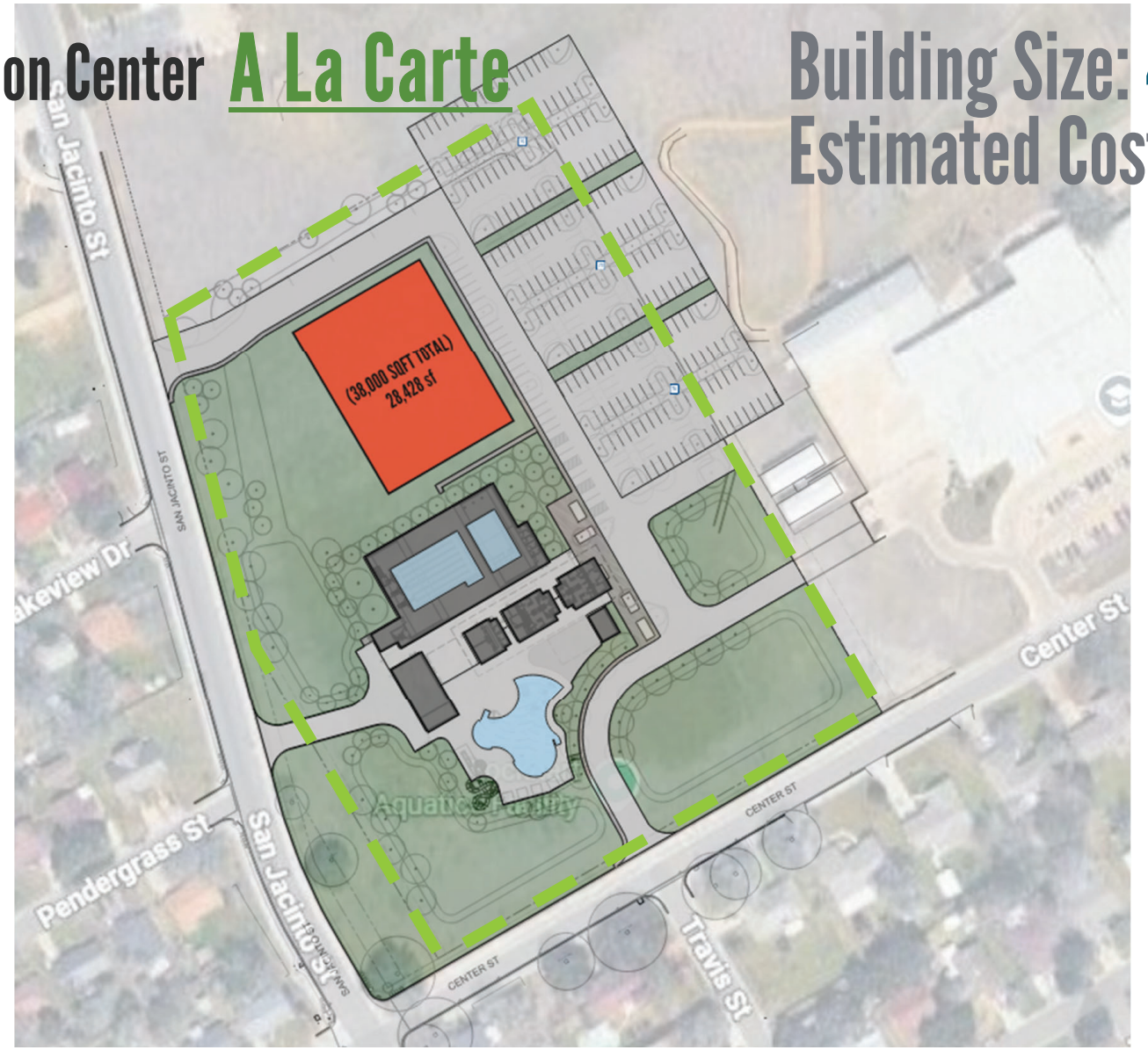
Future Recreation Center A La Carte

Building Size: 40,000 GSF
Estimated Cost: $22 M

1. ~~Gym G – Collegiate / 3 HS~~ Gym – 1 HS/2MS
2. Child Watch
3. ~~Adventure / Hill Course Track~~ Walk/Jog Track
4. ~~8,000~~ 4,000 SF Fitness & Weights
5. ~~MAC A – Multi Activity Court~~
6. ~~15-20 Person Aerobics/Dance Studio~~
7. 30-35 Person Aerobics/Dance Studio
8. ~~6 Lane x 25 Yard Pool~~
9. ~~Early Learning Room~~
10. ~~Radio & Podcast Studio~~
11. ~~4,500 Recreation Activity Pool~~
12. ~~Party Room (x2)~~
13. ~~300 Person Community / Events Hall~~
14. Food & Beverage
15. Merchandise Sales
16. ~~Multi-generational Games Lounge~~
17. ~~Wet Arts & Crafts Room~~
18. Catering Kitchen
19. ~~16-20 Person Spinning Studio~~
20. ~~Small Indoor Turf Training Area~~
21. ~~Senior Adult Lounge~~
22. ~~Maker Spaces~~
23. ~~Therapy Pool~~
24. ~~Esports Gaming Room~~
25. ~~Indoor Playground~~
26. ~~Bouldering Wall~~
27. 80 Person Classroom
28. Art Display / Gallery
29. ~~Water Slide~~
30. ~~Video Gaming~~
31. ~~Performing arts space (theater, music, video)~~
32. ~~Outdoor Patio / Gathering Space~~
33. ~~Dry Sauna~~
34. Outdoor Playground

Future Recreation Center A La Carte

Building Size: 40,000 GSF
Estimated Cost: $22 M



Future Recreation Center Lunchable

Building Size: 40,000 GSF
Estimated Cost: $22 M

PHASE 1

Gym – 1 HS/2MS
On-grade Walk/Jog Track
2,000 SF Fitness & Weights
50-Person Classroom

Building Size: 20,000 GSF
Estimated Cost: $11.4 M

Future Recreation Center Lunchable

Building Size: 40,000 GSF
Estimated Cost: $22 M

PHASE 1

Gym – 1 HS/2MS
On-grade Walk/Jog Track
2,000 SF Fitness & Weights
50-Person Classroom

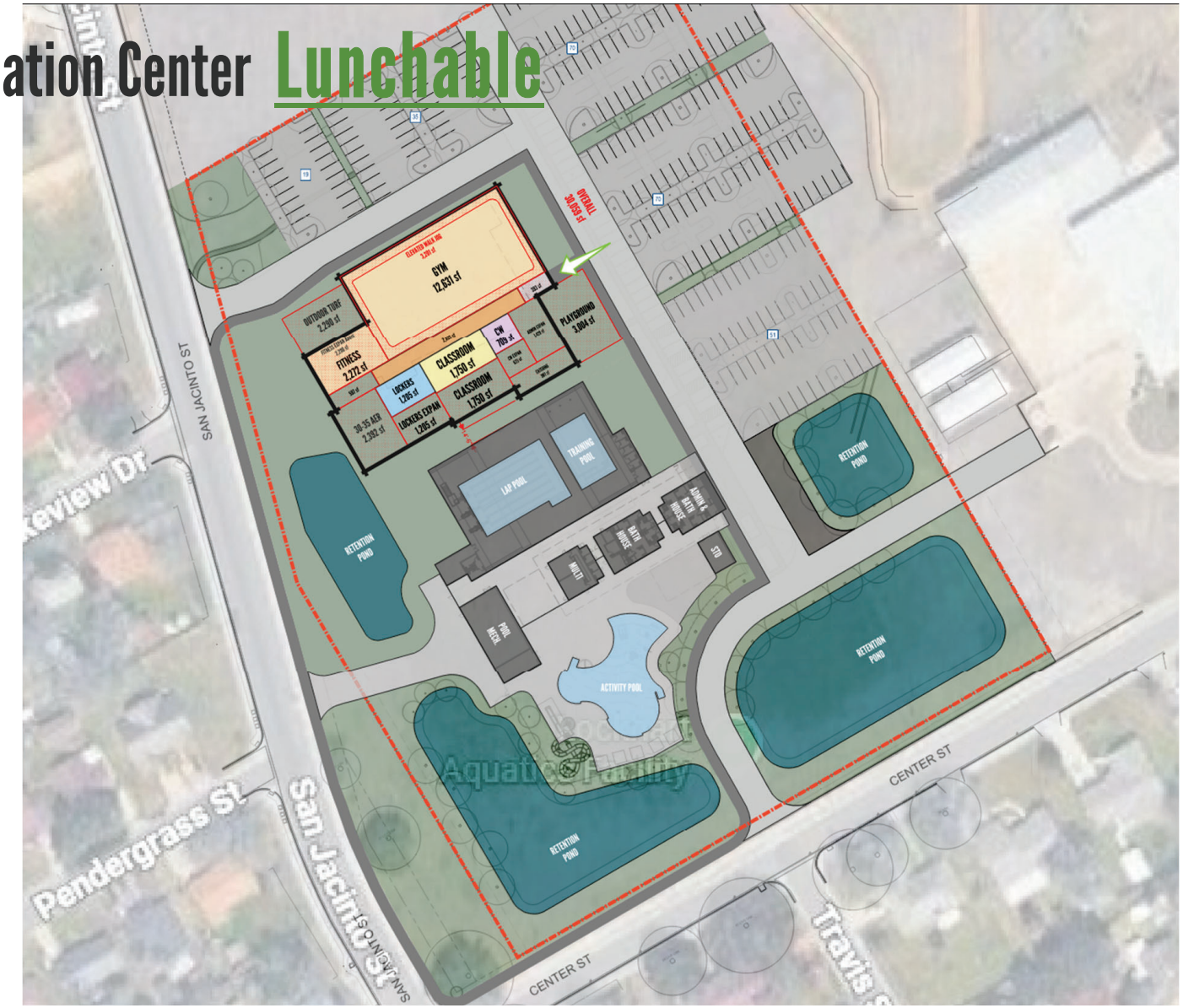
Building Size: 20,000 GSF
Estimated Cost: $11.4 M

PHASE 2

Child Watch
Elevated Walk/Jog Track
2,000 SF Fitness & Weights
30-35 Person Aerobics/Dance Studio
Radio & Podcast Studio
Food & Beverage
Merchandise Sales
Catering Kitchen
50-Person Classroom
Art Display / Gallery
Outdoor Playground

Building Size: 20,000 GSF
Estimated Cost: $10.0 M

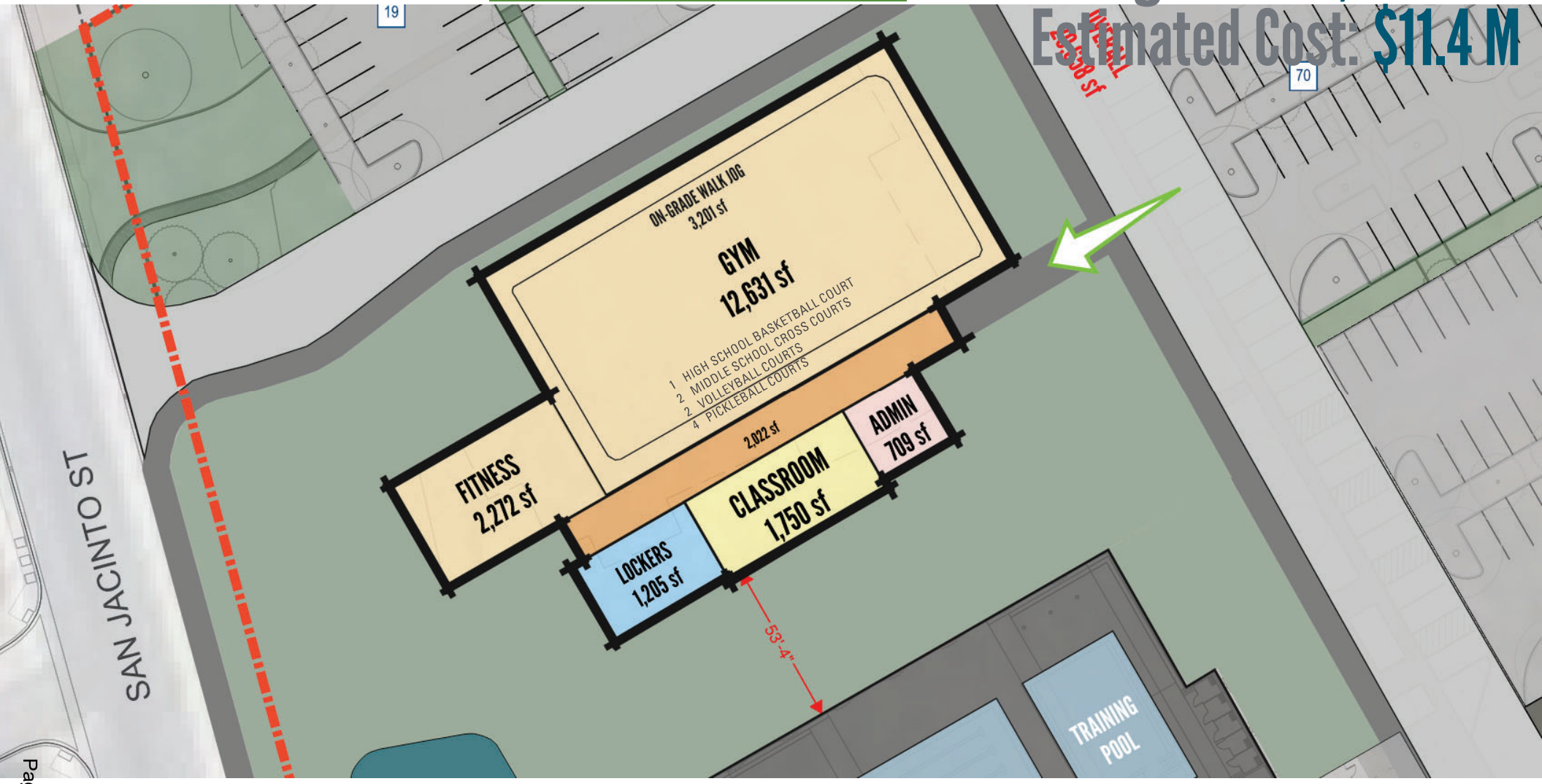
Future Recreation Center Lunchable



Future Recreation Center Lunchable Phase 1

Building Size: 20,000 GSF

Estimated Cost: $11.4 M



Future Recreation Center Lunchable Phase 2

Building Size: 20,000 GSF

Estimated Cost: $10.0 M



PHASE 1



PHASE 1



PHASE 1



PHASE 2



PHASE 2



PHASE 2

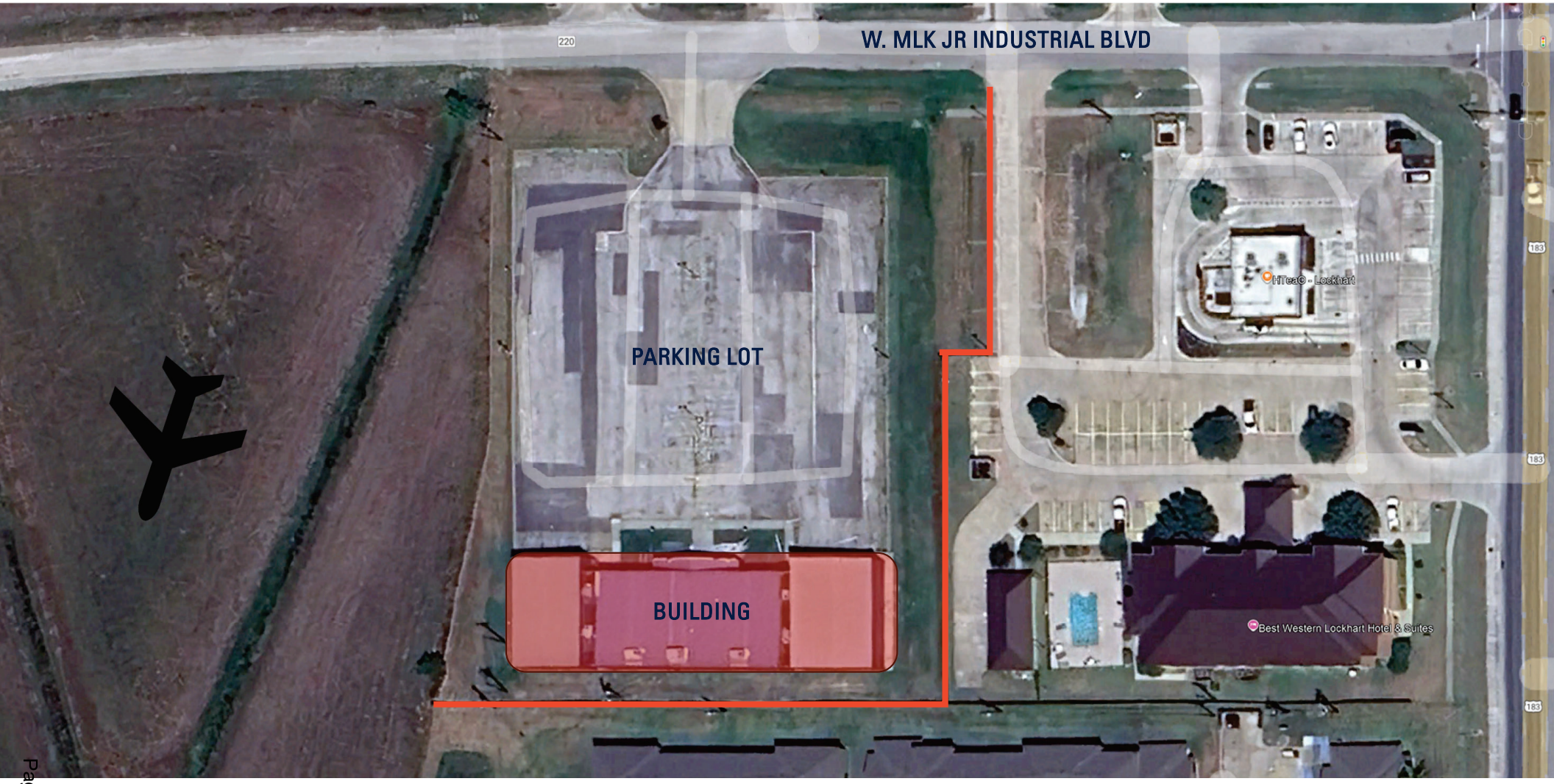




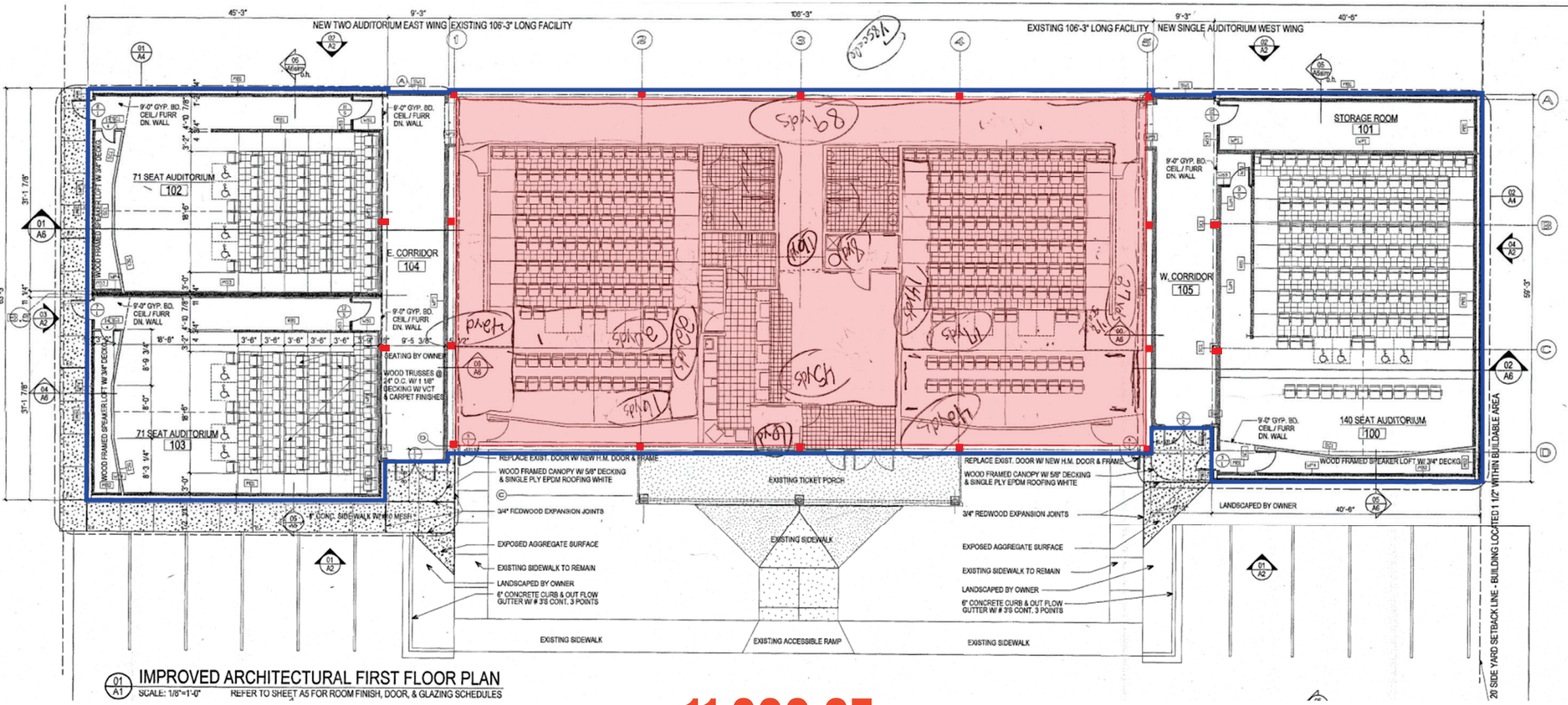


BARKER
RINKER
SEACAT
ARCHITECTURE

EXISTING SITE



EXISTING BUILDING



01 A1 IMPROVED ARCHITECTURAL FIRST FLOOR PLAN
SCALE: 1/8"=1'-0" REFER TO SHEET A5 FOR ROOM FINISH, DOOR, & GLAZING SCHEDULES

11,800 SF

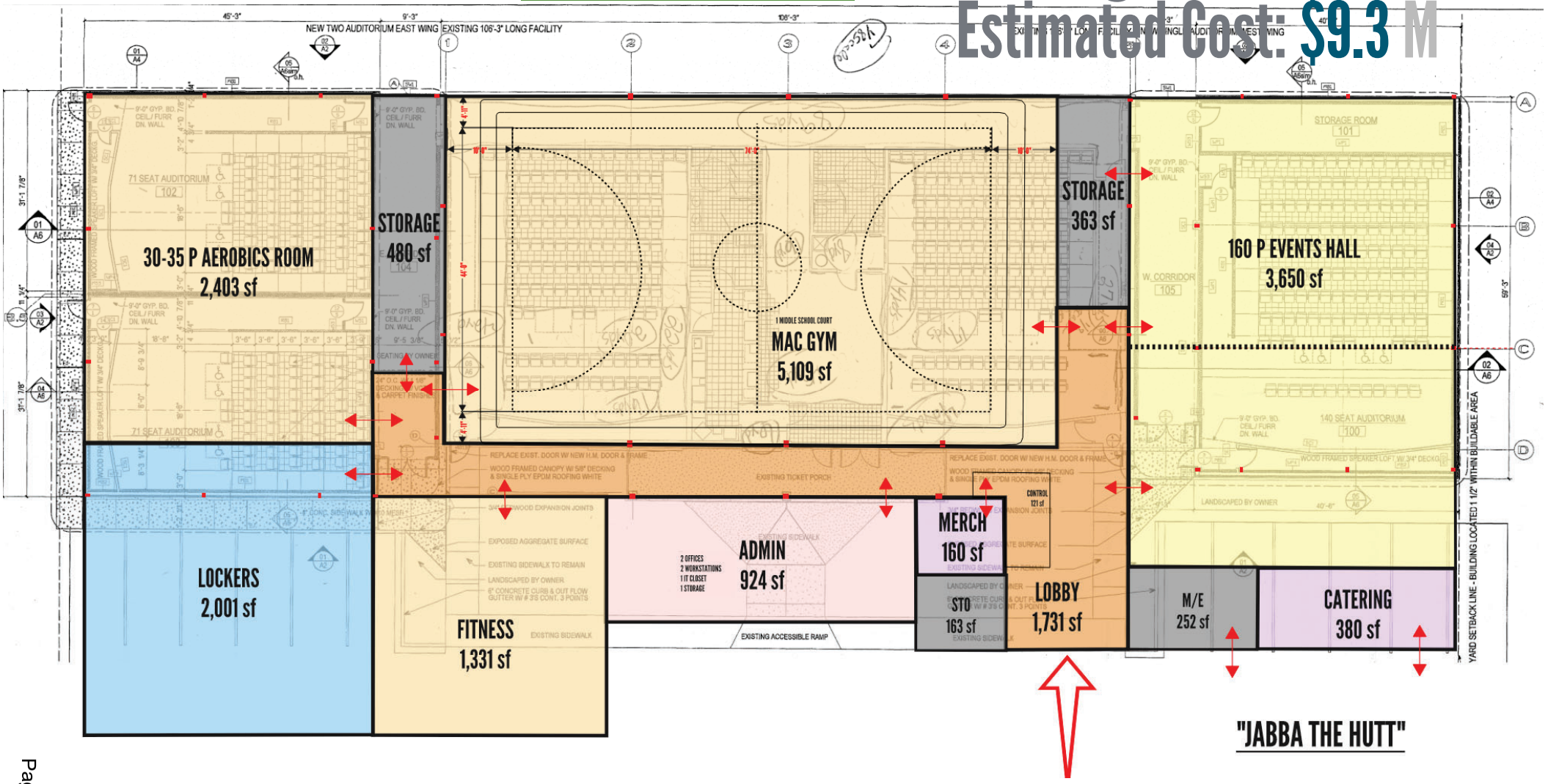
Theater Recreation Center Jabba the Hutt

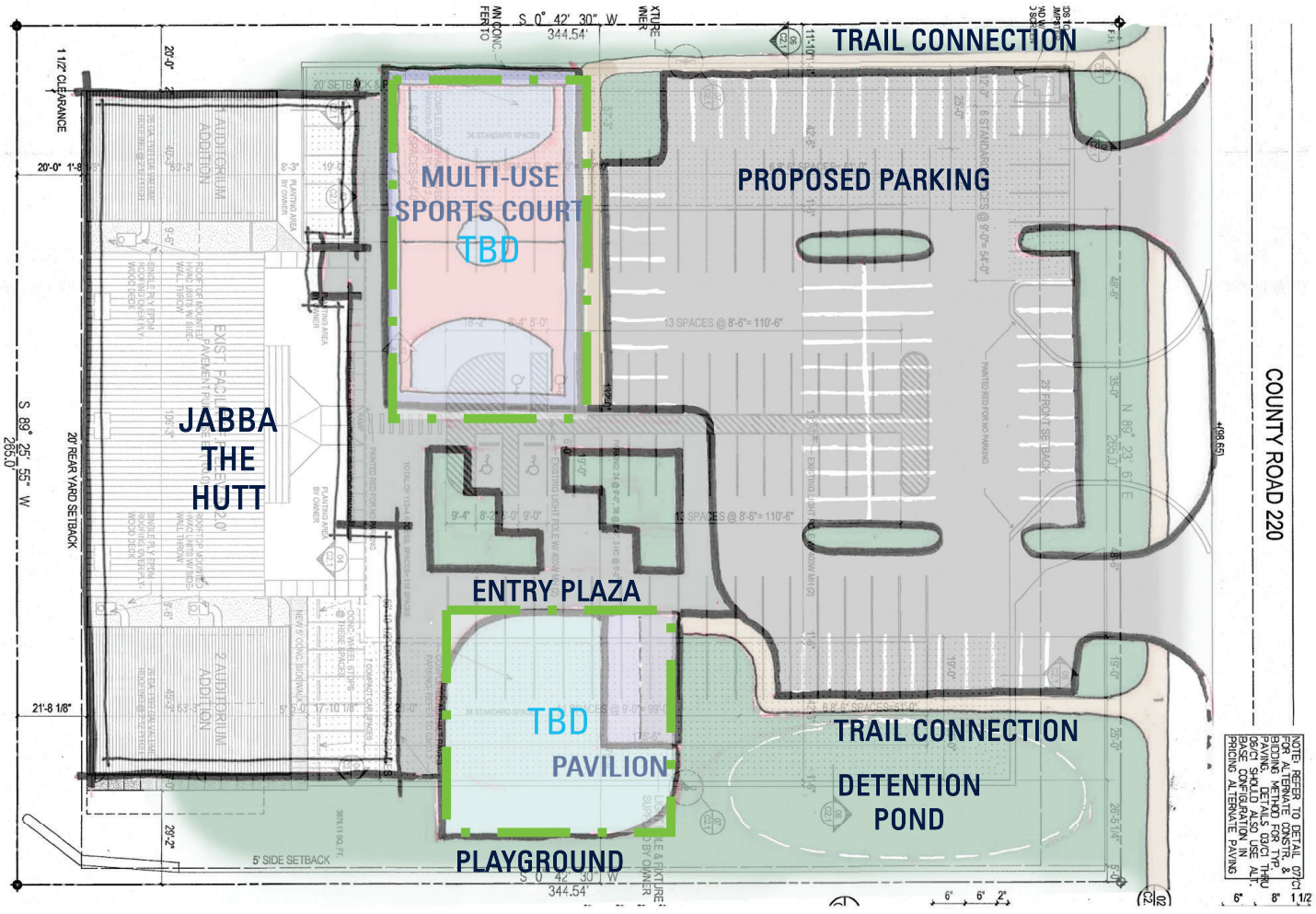
Building Size: 19,000 GSF
Estimated Cost: $9.3 M
Addition: + 6,200 GSF

1. ~~Gym G – Collegiate / 3 HS~~
2. ~~Child Watch~~
3. ~~Adventure / Hill Course Track~~ On-grade Track
4. ~~8,000~~ 1,500 SF Fitness & Weights
5. MAC A – Multi Activity Court
6. ~~15-20 Person Aerobics/Dance Studio~~
7. 30-35 Person Aerobics/Dance Studio
8. ~~6-Lane x 25-Yard Pool~~
9. ~~Early Learning Room~~
10. ~~Radio & Podcast Studio~~
11. ~~4,500 Recreation Activity Pool~~
12. ~~Party Room (x2)~~
13. ~~300~~ 160 Person Community / Events Hall
14. Food & Beverage
15. Merchandise Sales
16. ~~Multi-generational Games Lounge~~
17. ~~Wet Arts & Crafts Room~~
18. Catering Kitchen
19. ~~16-20 Person Spinning Studio~~
20. ~~Small Indoor Turf Training Area~~
21. ~~Senior Activity Space~~
22. ~~Maker Spaces~~
23. ~~Therapy Pool~~
24. ~~Esports Gaming Room~~
25. ~~Indoor Playground~~
26. ~~Bouldering Wall~~
27. ~~80 Person Classroom~~
28. ~~Art Display / Gallery~~
29. ~~Water Slide~~
30. ~~Video Gaming~~
31. ~~Performing arts space (theater, music, video)~~
32. ~~Outdoor Patio / Gathering Space~~
33. ~~Dry Sauna~~
34. ~~Outdoor Playground~~

Theater Recreation Center Jabba the Hutt

Building Size: 19,000 GSF
Estimated Cost: $9.3 M





- 64 proposed parking spaces
- Entry Plaza
- Connection to future City-wide trail network
- Optional future additions:
  - Playground
  - Pavilion
  - Hard Court

LOCKHART - JABBA THE HUTT - PRELIMINARY CONCEPTUAL SITE PLAN

halff

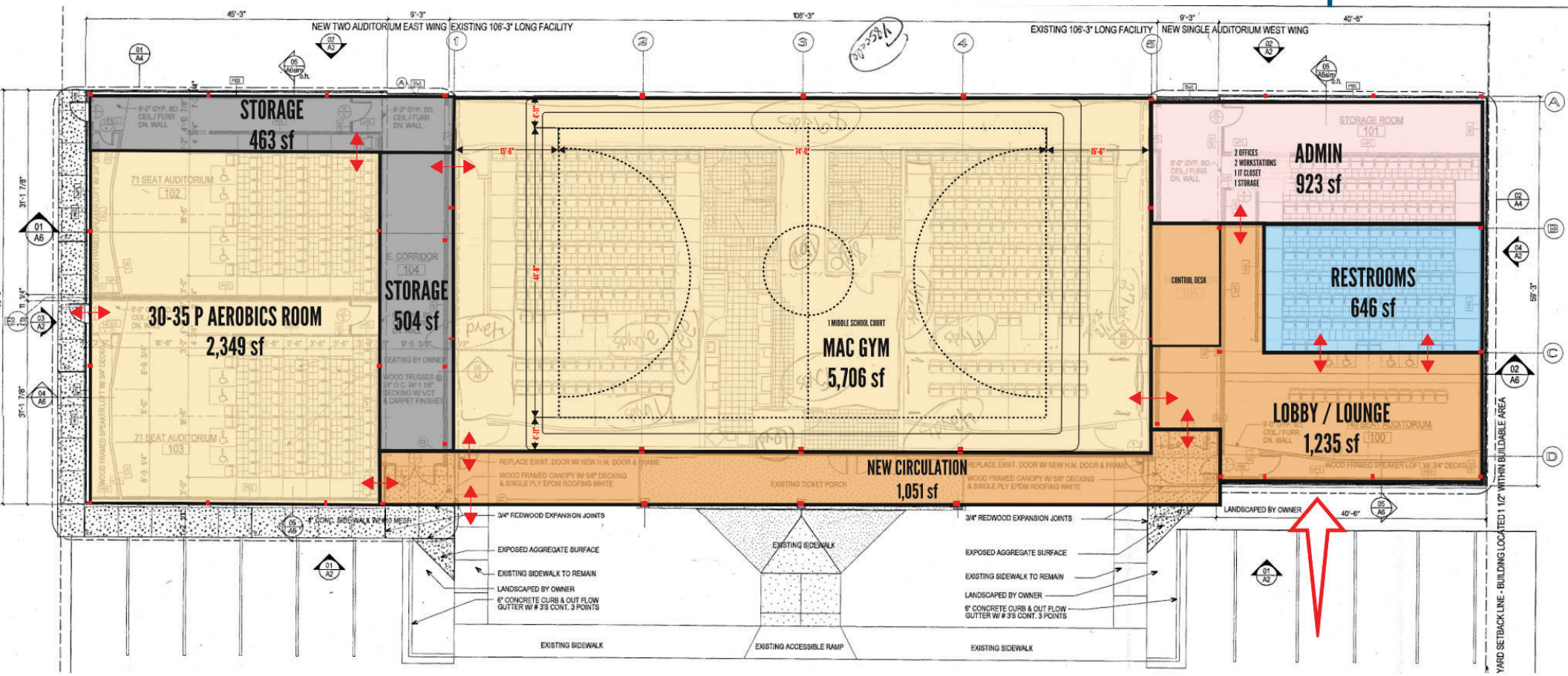
Theater Recreation Center C-3PO

Building Size: 10,500 GSF
Estimated Cost: $3.9 M

1. On-Grade Track
2. MAC A – Multi Activity Court
3. 30-35 Person Group Fitness Studio

Theater Recreation Center C-3PO

Building Size: 10,500 GSF
Estimated Cost: $3.9 M



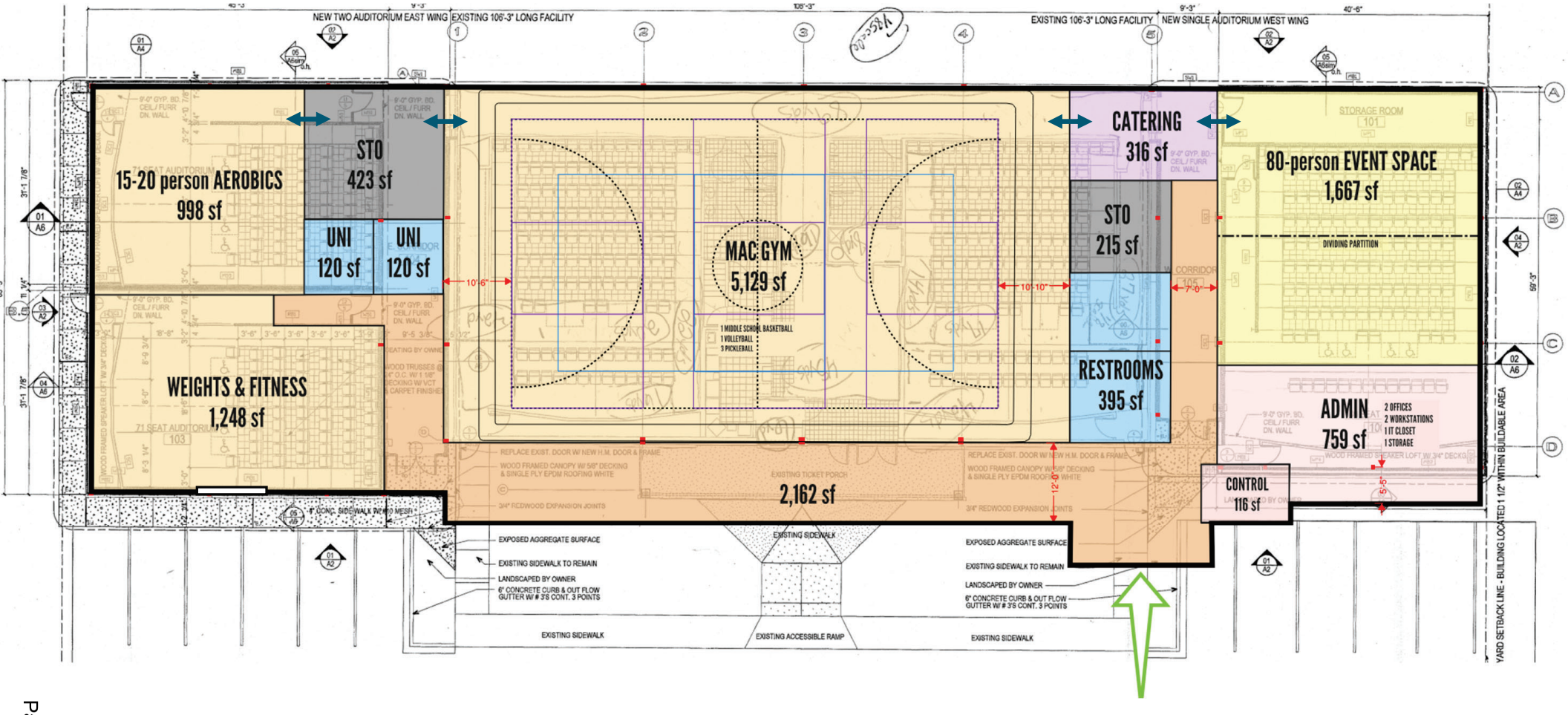
Theater Recreation Center Luke Skywalker

Building Size: 13,800 GSF
Estimated Cost: $5.3 M
Addition: + 2,000 GSF

1. On Grade Walk/Jog Track
2. 1,500 SF Fitness & Weights
3. MAC A – Multi Activity Court
4. 15-20 Person Group Fitness Studio
5. 80-Person Event Space / Classroom
6. Catering Kitchen

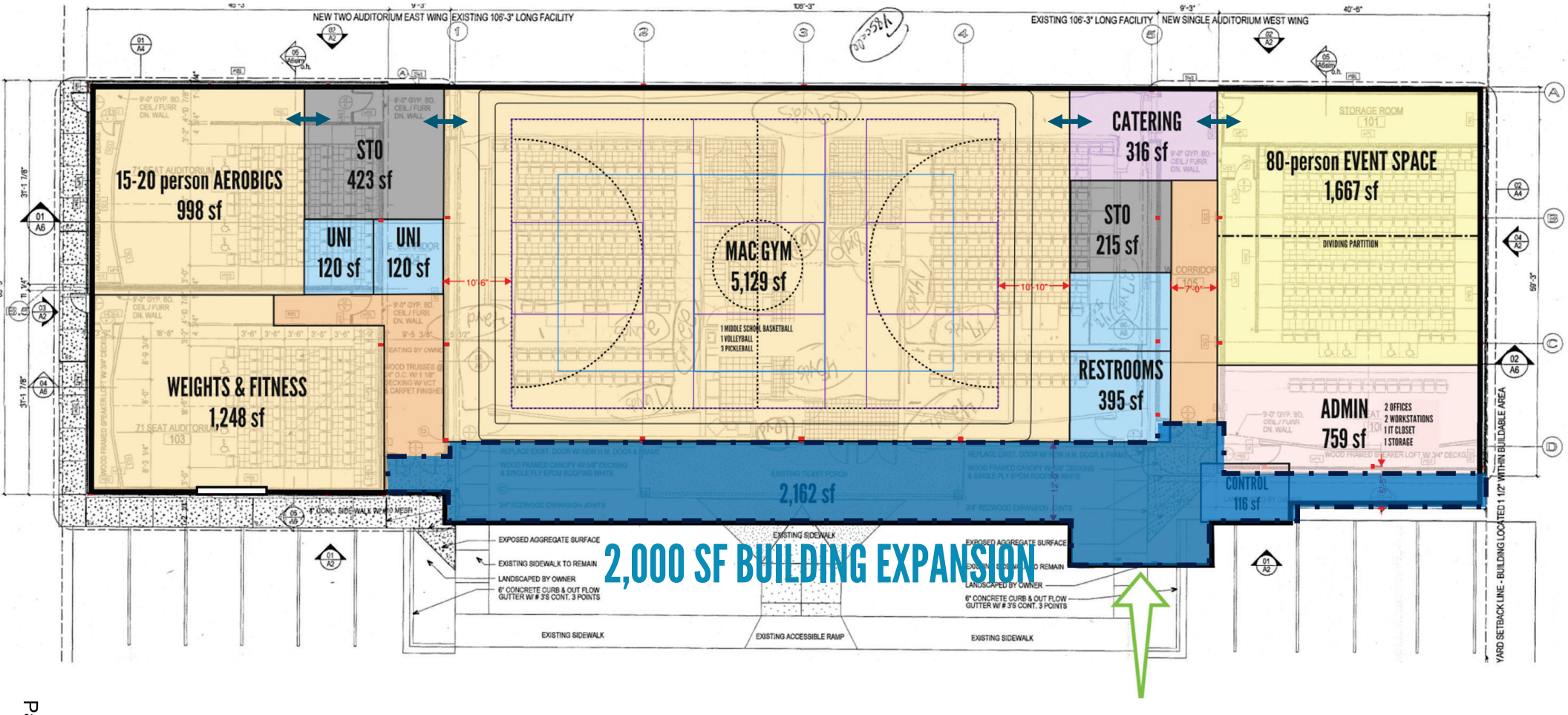
Theater Recreation Center Luke Skywalker

Building Size: 13,800 GSF
Estimated Cost: $5.3 M



Theater Recreation Center Luke Skywalker

Building Size: 13,800 GSF
Estimated Cost: $5.3 M



MAC GYM



FITNESS & WEIGHTS



GROUP FITNESS STUDIO



50-PERSON CLASSROOM



CATERING KITCHEN





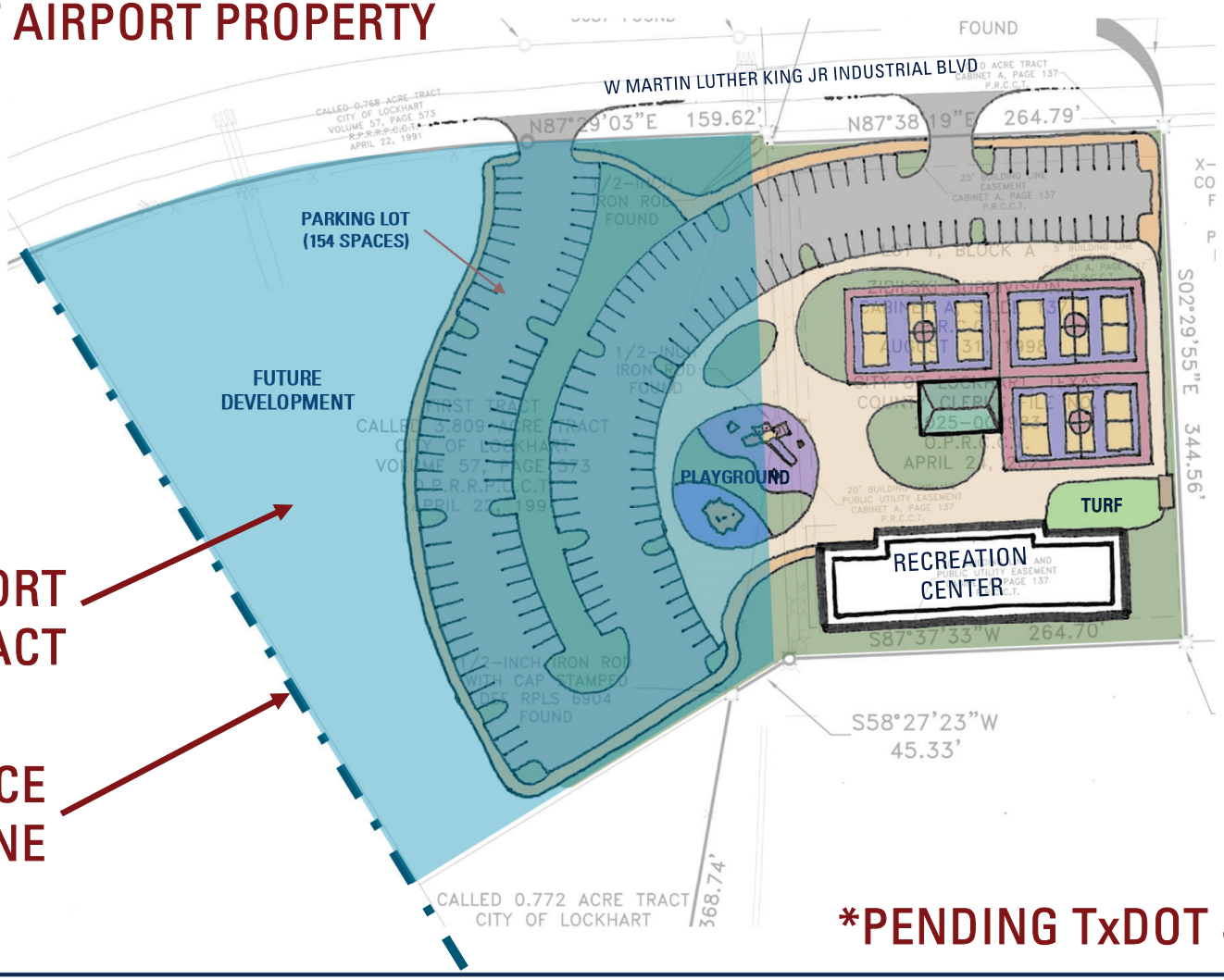
BARKER
RINKER
SEACAT
ARCHITECTURE

Existing Building & Parking



BARKER RINKER SEACAT ARCHITECTURE

ADJACENT AIRPORT PROPERTY



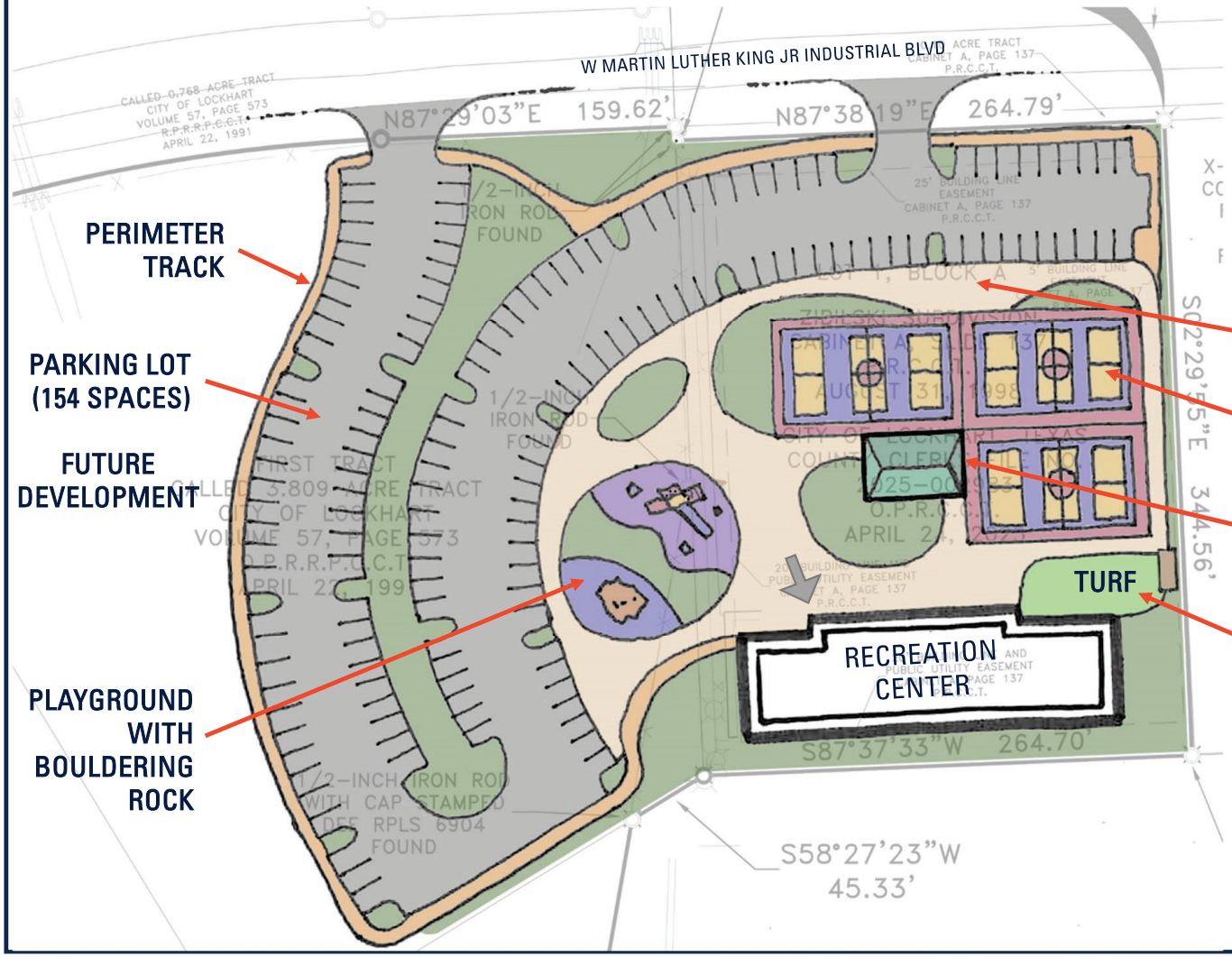
AIRPORT TRACT

NEW FENCE LINE

*PENDING TxDOT & FAA APPROVAL

THEATER RECREATION CENTER - CONCEPTUAL SITE PLAN

halff



- Fencing proposed around each basketball court
- Shade structures proposed in high use areas
- Speakers proposed in shade structures
- Mist fans proposed in rest areas
- Court Lighting for night use

THEATER RECREATION CENTER - CONCEPTUAL SITE PLAN

halff

OUTDOOR COURTS



PAVILION



INDOOR/OUTDOOR FITNESS



OUTDOOR TURF WITH STORAGE



PLAYGROUND

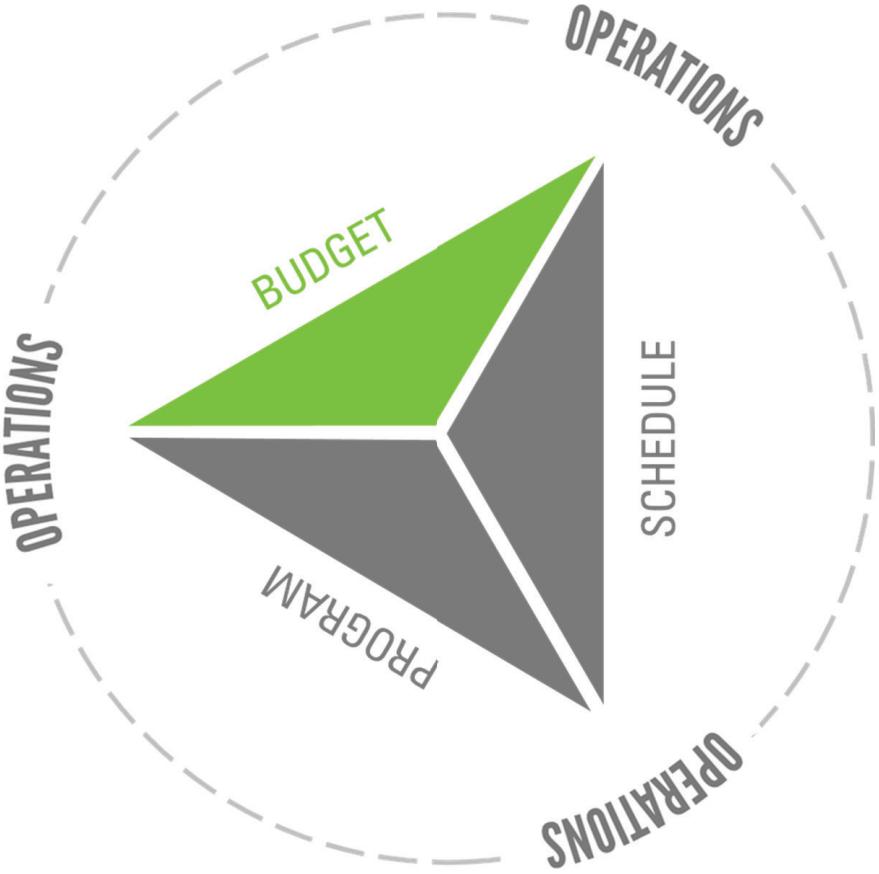


BOULDERING ROCK



FOOD TRUCKS


Lil' Orbits
MINI DONUTS
SnoBall Shack
WE CATER, FUNDRAISERS, CARNIVALS, SCHOOL EVENTS
303-515-1660
WWW.THESNOBALLSHACK.COM


OPERATIONS
BUDGET
SCHEDULE
PROGRAM
OPERATIONS
OPERATIONS

BUDGET

Theater Recreation Center

Summary of Probable Costs

OPTION	TOTAL GSF	CONSTRUCTION BUDGET	SITE BUDGET	SOFT COSTS	TOTAL PROJECT BUDGET
A – Jabba the Hutt	19,000 SF	$6.5 M	$600k	$2.2 M	$9.3 M
B – C3P0	12,800 SF	$2.9 M	$250k	$750k	$3.9 M
C – Luke Skywalker	13,800 SF	$3.8 M	$5.3 M	$2.7 M	$11.8 M

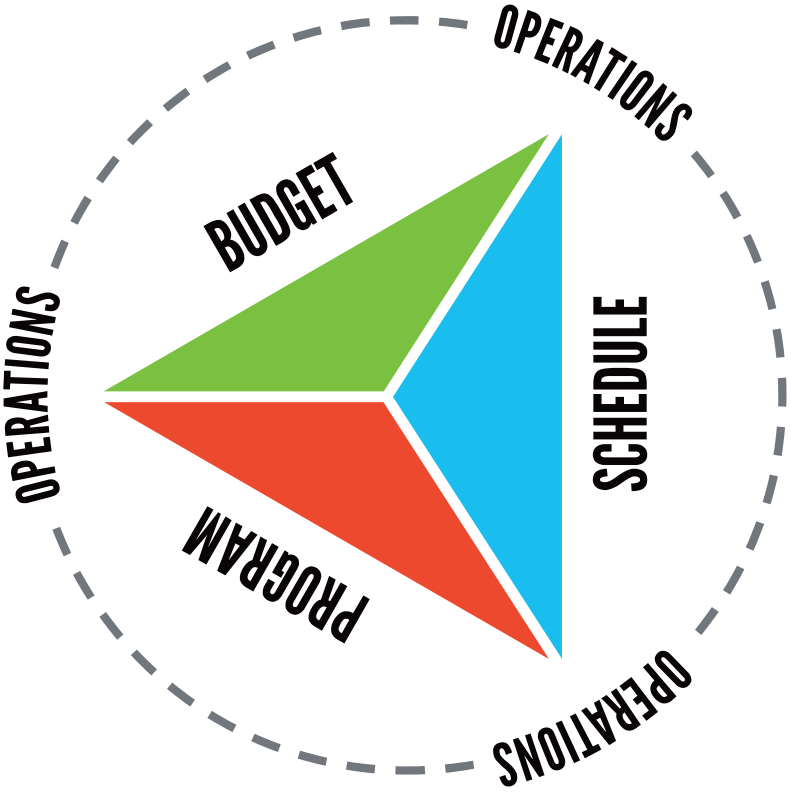
Notes:
Prices include escalation to August 2027, the mid-point of construction.
Soft costs include design fees, FF&E, fitness equipment, 5% contingency, etc.

Future Recreation Center

Summary of Probable Costs

OPTION	TOTAL GSF	CONSTRUCTION BUDGET	SITE BUDGET	SOFT COSTS	TOTAL PROJECT BUDGET
A – Full Meal Deal	130,000 SF	$64 M	$6.5 M	$22.5 M	$93 M
B – A La Carte	40,000 SF	$15 M	$1.5 M	$5.4 M	$22 M
C – Lunchable Phase 1	20,000 SF	$8.6 M	$650k	$2.2 M	$11.4 M
Phase 2 (future)	20,000 SF	$7.0 M	$650k	$1.9 M	$10 M

Notes:
Prices include escalation to December 2027, the mid-point of construction.
Soft costs include design fees, FF&E, fitness equipment, 5% contingency, etc.


OPERATIONS
BUDGET
SCHEDULE
PROGRAM
OPERATIONS
OPERATIONS

OPERATIONS

INNOVATION

MAXIMIZING PARTICIPATION

OPERATIONS

DOING THE MOST WITH THE LEAST

PERFORMANCE

ACCOUNTABILITY

Considerations & implications

- **Market** – what does Lockhart offer and where are the gaps in service
- **Program** – what spaces are in the building and what do they require
- **Cost Recovery Goals** – how much should the facility be subsidized and what are the revenue goals
- **Participation Model** – how to maximize membership & overall use
- **Operational Efficiency** – how to minimize operating costs with efficient design (sight lines, supervision)

Expenses vs. Revenue – Luke Skywalker

Expenses	
Personnel*	$258,000
Commodities	$19,000
Contractual	$82,000
Replacement	$14,000
Total	**$373,000**

*Assumes 2 Full-time Staff and add'l part-time staff.

Revenue	
Adm./Member**	$36,000
Programs	$74,000
Rentals/Other	$45,000
Total	**$155,000**

Cost Recovery	41.6%

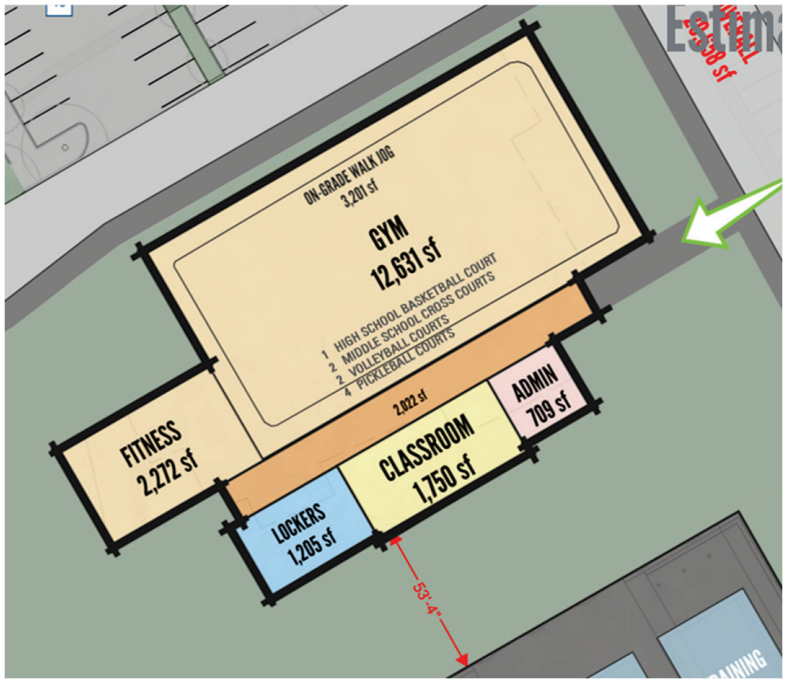
** Assumes membership rate for a resident adult at $96/yr.

Notes:
Expenses/Revenue above are for indoor recreation only and do NOT include expenses/revenue related to the outdoor site amenities.
Operating Hours: 74 hours per week

SUMMARY

SUMMARY OF RECOMMENDATIONS
DISCUSSION

$11.0-11.5 M to build Phase 1 next to the Aquatics Site
Estimated Opening: end of 2028



$11.5-12M to renovate the existing Movie Theater
Estimated Opening: early 2028



NEXT STEPS

1. Commit to one of the options presented

2. BRS & team will develop a proposal for full design using the selected construction budget

3. Develop a detailed design & construction schedule


THANK YOU!
BARKER
RINKER
SEACAT
ARCHITECTURE

DRAFT

REGULAR MEETING
LOCKHART CITY COUNCIL MARCH 18, 2025 6:30 P.M.

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

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

Council absent:
Mayor Lew White

Staff present:
Steve Lewis, City Manager
Joseph Resendez, Assistant City Manager
David Fowler, Planning Director
Gary Williamson, Police Chief
Travis Hughes, Parks Director
Tatiana Salazar, Public Information Officer
Jennifer Richie, City Attorney
Julie Bowermon, City Secretary
Andrew Devaney, Building Official
Randy Jenkins, Fire Chief
Keeli Michna, Finance Director

Citizens/Visitors Addressing the Council: Amy Bramwell of Studio Steinbomer; and Citizens, Jenna McCann and Joseph Shaffer.

Work Session 6:30 p.m.
Mayor Pro-Tem Sanchez announced that Mayor Lew White will not attend the meeting. She 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. DISCUSS CITY COUNCIL MINUTES OF THE APRIL 16, 2024 AND MAY 7, 2024 MEETINGS.
Mayor Pro-Tem Sanchez requested corrections to the minutes. There were none.

B. PRESENTATION AND DISCUSSION OF LOCKHART FREEDOM ACT FIRST QUARTERLY REPORT.
Chief Williamson stated that On November 5, 2024, Lockhart voters approved a charter amendment known as the Lockhart Freedom Act, which aimed to "reform marijuana enforcement by city personnel" and decriminalize the possession of marijuana for four (4) ounces or less. On December 3, 2024, Lockhart City Council passed a resolution acknowledging the passage of the Lockhart Freedom Act and its incorporation into the City Charter, while also acknowledging that state law prohibits cities from not fully enforcing drug laws, including those related to low-level cannabis enforcement. The resolution passed by the Lockhart City Council on December 3, 2024, calls on the Texas Legislature and U.S. Congress to provide clarification and guidance regarding ordinances similar to the Lockhart Freedom Act. Prior to the passage of the Lockhart Freedom Act, Lockhart Police made 75 arrests related to all drug possession charges in 2024. In 2023, Lockhart Police made approximately 99 drug related arrests. However, not all drug arrests were linked to marijuana possession. The discovery of illegal marijuana possession may be used, at the officer's discretion, to continue an investigation of other crimes. This includes driving under

the influence, possession of a controlled substance, firearms violations, or other crimes that affect public safety. Chapter 370.003 of the Texas Local Government Code provides that cities not adopt policies that do not fully enforce applicable state and federal drug laws, including marijuana. The Texas Code of Criminal Procedure, which vests police officers with the authority and duty to enforce state law, also potentially conflicts with the City of Lockhart's marijuana decriminalization charter amendment. Potentially inhibiting peace officers from fully enforcing drug laws could put officers in danger and hamper recruitment and retention efforts. For these reasons, the City of Lockhart and the Lockhart Police Department worked with the City Attorney's Office to implement provisions of the Lockhart Freedom Act that are not in conflict with state and federal law. After review, the City Attorney identified three sections that can be implemented to varying degrees:

- **Section 12.06 – Handling of Evidence:** Lockhart Police Department (LPD) officers currently document all illegal narcotics seizures. A report is filed detailing the grounds for each seizure, and all evidence is securely stored in accordance with the department's Evidence Policy.
- **Section 12.10 – Training & Policy Updates:** While LPD officers retain discretion to issue citations for possession of marijuana under two ounces, this practice has now been formally codified in Policy 7.46 – Marijuana Enforcement.
- **Section 12.12 – Quarterly Reports:** The LPD submits quarterly reports covering adult and juvenile arrests and citation counts. Moving forward, these reports will also include data on misdemeanor marijuana possession offenses, including:
    - Total arrests and citations issued,
    - Estimated personnel hours dedicated to enforcement,
    - Demographic breakdowns of individuals charged (age, gender, race, and ethnicity).

This update provides transparency on enforcement practices.

C. DISCUSS THE SCOPE OF WORK FOR THE REMODEL OF FIRE STATION NO. 1 LOCATED AT 201 W. MARKET ST. BASED ON THE 50% CONSTRUCTION DRAWINGS.

Mr. Resendez stated that previously, on September 17, 2024, the City Council approved Resolution 2024-24 to award the contract for Construction-Manager-At-Risk (CMAR) to D. Wilson Construction Co. for the remodel of Fire Station #1. Also, at the same meeting, Resolution 2024-23 was approved for the contract proposal of Studio Steinbomer to provide professional architectural and engineering services for the Fire Station #1 remodel. The construction documents have been approximately 50% completed by Studio Steinbomer and construction costs have been estimated and updated by D. Wilson Construction Co. based on current cost of labor and materials. Due to the price feedback from sub-contractors and suppliers and the CMAR's cost of services, the cost of the original base scope of work increased from the previous project estimate of $735,000. Staff worked with Studio Steinbomer and D. Wilson to develop a reduced base scope for essential items and remove exterior improvements as an add-alternate to the project. Further, based on feedback from Studio Steinbomer, an assessment of the roof was completed by an outside consultant. The results of the assessment provided the following summary:

'We find the low-sloped roofs to be in fair condition. We find the sloped tile roof functioning as intended without indications of water intrusion. We find the bell tower roof to be seriously deteriorated and the bell tower framing to be in fair condition. Therefore, we recommend maintenance-type repairs to the low-sloped roofs and the bell tower mounting and cable bracing. We recommend replacement of the cementitious [cement asbestos] tile roofs. We recommend replacement of the bell tower roof, and cleaning and coating of the bell tower framing. We recommend scheduling a wholesale replacement of the low-sloped roofs in the future."

Based on this assessment, an option to include the roof as an add-alternate are also included below.

The updated project costs, including the roof and exterior improvements as add-alternates to the base scope, are provided below. Each option includes the following costs: 10% construction contingency, contractor costs for general conditions, contractor's construction fees, architectural design services, and asbestos abatement.

Original Base - $1,577,251
Demolition, life safety systems, electrical, plumbing, drywall, flooring, HVAC, paint, appliances, diesel exhaust system, acoustic ceiling, framing, casework, repointing masonry, and shower, etc. Overhead doors, replacement windows, signage, and exterior painting.

Option 1 - Reduced Base - $1,269,923
Demolition, life safety systems, electrical, plumbing, drywall, flooring, HVAC, paint, appliances, diesel exhaust system, acoustic ceiling, framing, casework, repointing masonry, and shower, etc. Overhead doors, replacement windows, signage, and exterior painting. Reduction in cost allowance for various smaller line-items.

Option 2 - Reduced Base + Roof - $1,522,353 (+ $252,430)
Abatement and replacement of the cementitious [cement asbestos] tile roofs. Replacement of the bell tower roof and replacement of the low-sloped roof. Also includes costs for required contract amendments to the Architect and CMAR agreements. Requires a review by Lockhart Historical Commission.

Option 3 - Reduced Base + Roof + Exterior Improvements - $1,817,939 (+ $548,016)
Abatement and replacement of the cementitious [cement asbestos] tile roofs. Replacement of the bell tower roof and replacement of the low-sloped roof. Also includes costs for required contract amendments to the Architect and CMAR agreements. Overhead doors, replacement windows, signage, and exterior painting. Requires a review by Lockhart Historical Commission.

Staff request guidance from the City Council on the scope of work to move forward with to complete the construction documents and determining the Guaranteed Maximum Price (GMP). Once the GMP is determined based on the revised scope of work, it will be brought back to the City Council for final approval.

Amy Bramwell of Studio Steinbomer and Chief Jenkins explained the process to replace the roof of Fire Station No. 1. There was discussion.

D. DISCUSS RESOLUTION 2025-10 TO UPDATE PARK PAVILION AND SWIMMING POOL RENTAL FEES.
Mr. Hughes stated that an update to park pavilion and swimming pool fees was presented to Council on March 4, 2025. This Resolution will update these fees as indicated in Exhibit A. There was discussion.

E. DISCUSS ORDINANCE 2025-06 TO ADOPT A UTILITY SERVICE FEE SCHEDULE.
Ms. Michna stated that the proposed ordinance will establish a comprehensive utility service fee schedule, streamlining the utility billing process. This schedule includes updates to existing fees and recommendations for new service fees. The new service fees include charges for meter tampering and multiple trip fees—one for normal business hours and another for after-hours service. The proposed fee increases apply to reconnect fees and bucket truck usage fees, with a $25 increase to account for inflation and rising expenses related to these services. Fees that will remain unchanged include customer deposits

for both electric and water services, as well as the meter testing fee. The purpose of this ordinance is to consolidate utility service fees into a single, easily accessible schedule, improving both public transparency and internal efficiency. There was discussion.

F. DISCUSS THE REAL ESTATE SALES CONTRACT AND AUTHORIZING THE PURCHASE OF A PROPERTY LOCATED AT 120 W. MLK JR. INDUSTRIAL BOULEVARD IN THE AMOUNT OF $1,750,000 FOR CONVERSION INTO AN INDOOR RECREATION CENTER AS A NEED IDENTIFIED IN THE PARKS, RECREATION, & OPEN SPACE MASTER PLAN AND AUTHORIZING CLOSING COSTS ASSOCIATED WITH THE PURCHASE IN AN ESTIMATED AMOUNT OF $10,000.

Mr. Resendez stated that the City's *Lockhart Looking Forward Comprehensive Plan* and *Parks, Recreation & Open Space Master Plan* identified the need for an indoor recreation center as a community priority. The property (the "Property") located at 120 W. MLK Jr. Industrial Boulevard (Caldwell County Tax Appraisal District ID 39089) includes an existing theater building with accessibility from US 183, adequate parking, and ample interior space. He referred to a preliminary acquisition and conversion plan for converting the theater into a multi-purpose indoor recreation center, highlighting site details, renovation plans, staffing needs, and long-term community benefits. Staff reviewed the Property listing with Council and an appraisal was ordered. Following the appraisal review, the Council authorized staff to negotiate a Purchase and Sale agreement with the owner. The property was originally listed for $2,600,000. The listing price as of November 15, 2024 was $2,300,000. The appraised value was $1,650,000. The final negotiated purchase price for the property is $1,750,000, with estimated closing costs not exceeding $10,000. The City is not paying any real estate commissions. The acquisition of this property will allow the City to provide an indoor recreation center to residents much sooner and at a lower cost than constructing a new facility, which is estimated to take 6–8 years and $15-$20 million to construct and furnish. If approved, the next step is the procurement of a professional architectural/engineering design firm.

Mr. Hughes provided information and there was discussion about the potential indoor recreation uses.

RECESS: Mayor White announced that the Council would recess for a break at 7:31 p.m.

ITEM 1. CALL TO ORDER,

Mayor Pro-Tem Sanchez called the meeting to order at 7:46 p.m.

ITEM 2. INVOCATION, PLEDGE OF ALLEGIANCE.

Councilmember Castillo gave the Invocation and led the Pledge of Allegiance to the United States and Texas flags.

ITEM 3. PUBLIC COMMENT.

Mayor Pro-Tem Sanchez requested citizens to address the Council.

Jenna McCann, 2115 Windsor Blvd., stated that she is speaking on behalf of the multi-family residential buildings. She requested that the city revise the temporary banner sign ordinance to allow temporary banners and directional signs to their building to attract new tenants.

Joseph Shaffer, expressed concern about the traffic safety at FM 20 and FM 1322. He suggested that a traffic signal light be installed at the intersection for traffic safety precautions. He spoke in favor of a community recreation center.

Mayor Pro-Tem Sanchez requested additional citizens to address the Council. There were none.

ITEM 4-A. HOLD A PUBLIC HEARING AND CONSIDER APPROVAL OF ORDINANCE 2025-03, ANNEXING 84.981 ACRES OUT OF THE JOHN A. NEILL SURVEY, ABSTRACT 20, CALDWELL COUNTY, TEXAS, LOCATED EAST OF THE INTERSECTION OF FM 1322 AND CENTERPOINT ROAD AND ADDRESSED AS 2500 FM 1322.

Mayor Pro-Tem Sanchez announced that the public hearing will be postponed until May 6, 2025.

Mr. Fowler stated that this is the last postponement that will be granted to the applicant. If the applicant is not prepared to proceed with the public hearing on May 6, 2025, the application will be withdrawn.

ITEM 4-B. HOLD A PUBLIC HEARING ON APPLICATION ZC-24-08 BY TALLEY J. WILLIAMS ON BEHALF OF BLACKJACK BLOCK, LLC AND DISCUSSION AND/OR ACTION ON ORDINANCE 2025-04 FOR A ZONING CHANGE FROM AO AGRICULTURAL-OPEN SPACE DISTRICT TO RMD RESIDENTIAL MEDIUM DENSITY DISTRICT ON 84.981 ACRES IN THE JOHN A. NEILL SURVEY, ABSTRACT NO. 20, LOCATED EAST OF THE INTERSECTION OF FM 1322 AND CENTERPOINT ROAD AND ADDRESSED AS 2500 FM 1322.

Mayor Pro-Tem Sanchez announced that the public hearing will be postponed until May 6, 2025.

ITEM 5-A. DISCUSSION AND/OR ACTION TO CONSIDER CITY COUNCIL MINUTES OF THE APRIL 16, 2024 AND MAY 7, 2024 MEETINGS.

Councilmember Westmoreland made a motion to approve the minutes. Councilmember Mendoza seconded. The motion passed by a vote of 6-0.

ITEM 5-B. DISCUSSION AND CONSIDERATION REGARDING RECEIPT OF THE LOCKHART FREEDOM ACT FIRST QUARTERLY REPORT.

Councilmember Lairsen made a motion to accept the report. Councilmember Castillo seconded. The motion passed by a vote of 6-0.

ITEM 5-C. DISCUSSION AND/OR ACTION TO PROVIDE GUIDANCE ON THE SCOPE OF WORK FOR THE REMODEL OF FIRE STATION NO. 1 LOCATED AT 201 W. MARKET ST. BASED ON THE 50% CONSTRUCTION DRAWINGS.

Councilmember Michelson made a motion to approve Option 3, Reduced Base + Roof + Exterior Improvements - $1,817,939 (+ $548,016). Councilmember Castillo seconded. The motion passed by a vote of 6-0.

ITEM 5-D. DISCUSSION AND/OR ACTION REGARDING RESOLUTION 2025-10 TO UPDATE PARK PAVILION AND SWIMMING POOL RENTAL FEES.

Councilmember Castillo made a motion to approve Resolution 2025-10, as presented. Councilmember Lairsen seconded. The motion passed by a vote of 6-0.

ITEM 5-E. DISCUSSION AND/OR ACTION TO CONSIDER ORDINANCE 2025-06 TO ADOPT A UTILITY SERVICE FEE SCHEDULE.

Councilmember Westmoreland made a motion to approve Ordinance 2025-26, as presented. Councilmember Michelson seconded. The motion passed by a vote of 6-0.

ITEM 5-F. DISCUSSION AND/OR ACTION TO CONSIDER APPROVING THE REAL ESTATE SALES CONTRACT AND AUTHORIZING THE PURCHASE OF A PROPERTY LOCATED AT 120 W. MLK JR. INDUSTRIAL BOULEVARD IN THE AMOUNT OF $1,750,000 FOR CONVERSION INTO AN INDOOR RECREATION CENTER AS A NEED IDENTIFIED IN THE PARKS, RECREATION, & OPEN SPACE MASTER PLAN AND AUTHORIZING CLOSING COSTS ASSOCIATED WITH THE PURCHASE IN AN ESTIMATED AMOUNT OF $10,000.

Councilmember Westmoreland made a motion to approve the real estate sales contract and authorizing the purchase of a property located at 120 W. MLK Jr. Industrial Blvd, as presented. Councilmember Michelson seconded.

There was discussion regarding the process of obtaining quotes to convert the facility to an indoor recreation center.

VOTE: The motion passed by a vote of 6-0.

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

- Recap of Downtown Revitalization Project Update meeting held on March 13.
- Hotel Occupancy Tax (HOT) Advisory Board accepting applications.
- Lockhart Fire Department's Push-In Ceremony for new ladder truck is scheduled for Friday, March 21.
- New bench donated by library patron to Dr. Eugene Clark Library.
- Splash Pads set to open on Tuesday, April 1.
- Reminder: Citywide Spring Clean Up Program on Saturday, March 22.
- Next Coffee With a Cop event scheduled for Tuesday, April 15.
- First 2025 Courthouse Nights event set for Friday, April 18.

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

Councilmember Mendoza thanked all that attended the KidFish event.

Councilmember Castillo expressed condolences to families that have lost a loved one. He thanked all that attended the KidFish event. He reminded everyone to lock their vehicles to avoid theft.

Councilmember Michelson thanked all that attended the KidFish event. He wished all a good Spring Break and he encouraged everyone to stay safe.

Mayor Pro-Tem Sanchez expressed condolences to families that have lost a loved one. She thanked all that attended the KidFish event. She wished everyone a safe Spring Break and wished the best to Coach Todd Mavis.

EXECUTIVE SESSIONS

Mayor Pro-Tem Sanchez announced that the Council would enter Executive Session to discuss agenda items 8 and 9, as listed below at 8:21 p.m.

ITEM 8-A. EXECUTIVE SESSION IN ACCORDANCE WITH THE PROVISIONS OF THE GOVERNMENT CODE, TITLE 5, SUBCHAPTER D, SECTION 551.071, PRIVATE CONSULTATION WITH ITS ATTORNEY TO SEEK ADVICE ABOUT LEGAL MATTERS SUBJECT TO ATTORNEY/CLIENT PRIVILEGE AND 551.087 OF THE TEXAS GOVERNMENT CODE, DELIBERATION REGARDING ECONOMIC DEVELOPMENT

NEGOTIATIONS. Discussion regarding Tax Abatement Agreement with Martin Spellerberg of Spellerberg Associates, LLC.

ITEM 9-A. EXECUTIVE SESSION IN ACCORDANCE WITH THE PROVISIONS OF THE GOVERNMENT CODE, TITLE 5, SUBCHAPTER D, SECTION 551.071, PRIVATE CONSULTATION WITH ITS ATTORNEY TO SEEK ADVICE ABOUT LEGAL MATTERS SUBJECT TO ATTORNEY/CLIENT PRIVILEGE AND SECTION 551.072 OF THE TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY IF DELIBERATION IN AN OPEN MEETING WOULD HAVE A DETRIMENTAL EFFECT ON THE POSITION OF THE GOVERNMENTAL BODY IN NEGOTIATIONS WITH A THIRD PERSON. Discussion regarding acquisition of multiple utility easements between S. Main Street and S. Commerce Street.

OPEN SESSION.
Mayor Pro-Tem Sanchez announced that the Council would enter Open Session at 8:57 p.m.

ITEM 10-A. DISCUSSION AND/OR ACTION REGARDING TAX ABATEMENT AGREEMENT WITH MARTIN SPELLERBERG OF SPELLERBERG ASSOCIATES, LLC.
There was no action.

ITEM 10-B. DISCUSSION AND/OR ACTION REGARDING ACQUISITION OF MULTIPLE UTILITY EASEMENTS BETWEEN S. MAIN STREET AND S. COMMERCE STREET.
Mayor Pro-Tem Sanchez made a motion to authorize staff to make initial offers to the landowners of the downtown utility easements between South Main Street and South Commerce Street up to the appraised value. Councilmember Lairsen seconded. The motion passed by a vote of 6-0.

ITEM 11. ADJOURNMENT
Councilmember Mendoza made a motion to adjourn the meeting. Councilmember Westmoreland seconded. The motion passed by a vote of 6-0. The meeting was adjourned at 8:59 p.m.

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

CITY OF LOCKHART

_____
Lew White, Mayor

ATTEST:

_____
Julie Bowermon
City Secretary

DRAFT

REGULAR MEETING
LOCKHART CITY COUNCIL APRIL 1, 2025 6:30 P.M.

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

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

Staff present:
Steve Lewis, City Manager
Joseph Resendez, Assistant City Manager
Sean Kelley, Public Works Director
Gary Williamson, Police Chief
Travis Hughes, Parks Director
Holly Malish, Economic Development Director
Brad Bullock, City Attorney
Julie Bowermon, City Secretary
Andrew Devaney, Building Official
Keeli Michna, Finance Director
Tatiana Salazar, Public Information Officer

Citizens/Visitors Addressing the Council: Elda Arriano and Neal Kelby of Texas Monthly; Mike Brooks of BrooksWatson & Company; and Citizens: Will Rhodes, Rachel Lingvai and Fred Wiegand.

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 A PROCLAMATION DECLARING APRIL 13 - 19, 2025 AS NATIONAL PUBLIC SAFETY TELECOMMUNICATORS WEEK.
Mayor White presented the proclamation to the Lockhart Police Department.

B. DISCUSS THE CITY COUNCIL MINUTES OF THE MAY 21, 2024 AND JUNE 4, 2024 MEETINGS.
Mayor White requested corrections to the minutes. There are none.

C. DISCUSS THE PROPOSED TEXAS MONTHLY 2025 BBQ WORLD'S FAIR EVENT SPONSORSHIP AGREEMENT FOR THE NOVEMBER 1-2, 2025, 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 and is seeking to return to Lockhart for a fourth consecutive year. The event is slated for November 1-2, 2025, to be held in the Historic Courthouse Square and City Park. Texas Monthly will provide the planning, production, staffing, event lineup, marketing, ticketing services and sponsorships.

Other notable details in the agreement include:
- City contribution $25,000 of in-kind support (permit assistance, street closures, police and first responder staff, secure shuttle parking area and event locations)
- $20,000 in 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 the promotional signage
- Minimum general liability insurance requirements

Staff will be working closely with the Downtown Revitalization Contractors to coordinate planning of the event between the event holder and the contractor. Texas Monthly has representatives to answer any questions regarding the 2025 Event Sponsorship Agreement.

Elda Arriano and Neal Kelby of Texas Monthly provided information and there was discussion about their marketing strategy and the proposed schedule of events.

D. DISCUSSION REGARDING AMENDING THE CONTRACT WITH GBRA TO INCLUDE A FUTURE SECOND DELIVERY POINT FROM THE GONZALES CARRIZO GROUNDWATER SUPPLY PROJECT.

Mr. Kelley stated that the City of Lockhart entered the Gonzales Carrizo Groundwater Supply Project (CGSP) Agreement on February 6, 2018. The project consists of providing Lockhart customers with long-term treated water, up to 3,000 acre-feet per year. The City began receiving water from the project at the current delivery point at the Lockhart Water Treatment Plant in September 2024. The Guadalupe-Blanco River Authority (GBRA) recently completed the design of the second phase of the regional project in Mid-2024, which includes expanding water supply to neighboring water providers north of Lockhart. GBRA's route for the project takes water around the east side of Lockhart and travels through an easement on the south side of the Cesar Chavez Elevated Storage Tank that the City of Lockhart dedicated to GBRA on June 4, 2024. The purpose of dedicating the easement was to establish a second delivery point that has the capability to receive "some or all" of the 3,000 acre-feet of water from the CGSP. The proposed amendment conveys the ability to receive water at the second delivery point once developed. The transmission line for Phase II of the CGSP, including the 12" tap at the Cesar Chavez EST are anticipated to be complete by October 2026. The City is responsible for developing the connection between the new second delivery point and the City's water distribution system. Currently, the City Engineer is preparing a Preliminary Engineering Report for the secondary delivery point. Once the engineering report is complete, budgeting for secondary delivery point connection may begin.

Establishing the second delivery point for treated water is important for several reasons, including:

- Create redundancy in the water system to make the utility more resilient.
- Diversify and increase the City's water supply, which is centralized at the Water Treatment Plant's high service pump station, and
- Provide additional water supply during outages, rehabilitation, or scheduled maintenance of the City's water treatment plant.

E. PRESENTATION AND DISCUSSION OF THE CITY OF LOCKHART AND THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION'S FISCAL YEAR 2023-24 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ANNUAL FINANCIAL AUDIT) BY BROOKSWATSON & COMPANY, PLLC., AN INDEPENDENT PUBLIC ACCOUNTING FIRM.

Ms. Michna 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 fourth year for BrooksWatson & Company, PLLC to perform the City's annual audit. City Council approved a two-year contract extension on October 15, 2024 which will retain BrooksWatson & Company, PLLC's audit services through fiscal year ending

2025. BrooksWatson & Company, PLLC has issued an unmodified (clean) opinion. An unmodified 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 2024 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 five consecutive years. The current Annual Comprehensive Financial Report for FYE 2024 will be submitted to the GFOA to determine eligibility for another certificate.

Mike Brooks of BrooksWatson & Company gave the report of the City of Lockhart's Annual Comprehensive Financial Report. He stated that the firm issued an unmodified (clean) opinion. An unmodified opinion is presumed to be free from material misstatements and fairly represents its financial results, financial position, and cash flows. He commended the City of Lockhart for remaining financially responsible. There was discussion.

F. DISCUSSION REGARDING CONSIDERATION FOR THE PURCHASE OF A PORTABLE STAGE TO BE AVAILABLE FOR PARK, CITY-SPONSORED, AND COMMUNITY EVENTS.

Mr. Kelley stated that the City holds numerous events downtown, at the City Park and other community gathering areas. Frequently, in-kind contributions are made to sponsor the event, improve the functionality of the event and even alleviate the financial burden of organizers producing community-wide events. Courthouse Nights has verbally requested to replace the old wooden stage with a new wooden stage and would like the City to participate in repairing the existing stage or consider the purchase of a new stage. The current stage is set up for each Courthouse Nights event by Pegasus School. The stage has been used for decades for several events, requires frequent maintenance, and has reached its life expectancy. Courthouse Nights requires a stage that can handle an approximal weight load of 3,000 lbs with a minimum dimension of 8' x24' and an elevated surface.

Considerations for Stage Rentals vs. Purchase:

- Rental vs. Purchase: Renting a stage for events costs approximately $5,000 per event, while purchase of a mobile portable stage is estimated at $10,000.
- Setup & Liability: Determine responsibility for setting up and dismantling the stage, as well as any associated liability concern.
- Stage Features: Portable stage options include guardrails, skirt/cover, stair kits and storage trolleys. They typically support up to 200 lbs/sq ft and come with a 10-year manufacturer's warranty.
- Eligible Uses: Potential uses include City-sponsored events (e.g., A Christmas to Remember, MLK Jr. March, Courthouse Nights, Kid Fish), non-profit events on public property, and park events.

Mr. Hughes provided information and there was discussion about the purchase, setup process, and storage of the stage.

Will Rhodes and Rachel Lingvai stated that the current stage that is used for Courthouse Nights is not safe and at a point of no repair. They requested that the Council consider purchasing a stage that is safe and that will accommodate the weight and size of the band members and equipment.

RECESS: Mayor White announced that the Council would recess for a break at 7:40 p.m.

ITEM 1. CALL TO ORDER,
Mayor Lew White called the meeting to order at 7:54 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.

Fred Wiegand, Citizen, requested to be a member of the Airport Advisory Board and questioned the qualifications of the Airport Board members as listed in the Code of Ordinances. He expressed concern about the condition of the Lockhart Municipal Airport.

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

ITEM 4-A. HOLD A PUBLIC HEARING AND CONSIDER APPROVAL OF ORDINANCE 2025 07, FOR TEXT AMENDMENTS TO CHAPTER 64, "ZONING" ARTICLE VII, SECTION 64-205, "PORTABLE FOOD ESTABLISHMENTS," OF THE LOCKHART CODE OF ORDINANCES.
Mayor White opened the public hearing at 8:03 p.m.

Mr. Devaney stated that staff recommended updating the definition of a portable food establishment. Currently, per ordinance, a portable food establishment is defined as an enclosed trailer or motor vehicle designed and operated for the sale of food and/or beverages and which stays at one location for more than four consecutive days. Lockhart staff are requesting to remove the verbiage regarding location and duration to be considered a portable food establishment. This would ensure all current and potential portable food establishments within the City of Lockhart are properly permitted and inspected. Currently, portable food establishments that conduct business for less than four days are not subject to permit and inspection requirements. The current permit fees for portable food establishments are twenty-five dollars for establishments with one to four employees and fifty dollars for establishments with five or more employees. The permit is valid from the date of application until December 31 of that same year. Lockhart staff would also recommend amending Subsection (b) (1) to update the requirement for a portable food establishment permit from the City of Lockhart. This would make it a requirement for portable food establishments to be inspected by the city health inspector and have a current mobile food unit permit issued by the Texas Department of State Health Services, Retail Foods Division. Sec. 64-205 Subsection (b) (1) proposed ordinance amendment would update the legal definitions according to state law. The update to the Texas Department of State Health Services, Retail Foods Division went into effect September 1, 2004, per House Bill 2292. This amendment would ensure compliance with city inspections as well as meet the minimum requirements of the Texas Department of State Health Services. The standards set in Sec. 64-205 Subsection (b) (2-19) require no amendments. At the Planning and Zoning Commission meeting on March 12th, the Planning and Zoning Commission approved these text amendments as proposed. This included the proposed deletion of Sec. 64-205 (e). Since this approval, Building Services staff have reexamined the proposed deletion of Sec. 64-205 (e) based on additional City Attorney feedback regarding the impact on annual, outdoor community events. Staff have recognized the need to keep this section in its entirety. This would continue to allow outdoor events lasting no longer

than four consecutive days to be exempt from the zoning requirements of this section. Examples of events locally to continue to be exempt would include Cinco de Mayo, Chisholm Trail Roundup, Diez y Seis, First Friday, Courthouse Nights, Sip-n-Stroll, Texas Monthly Barbecue Festival, school fundraisers, church fundraisers, and city-sponsored events. These events will still be required to be compliant with all applicable health and sanitation regulations. He stated that staff recommends approval. There was discussion.

Mayor White requested citizens to address the Council. There were none. He closed the public hearing at 8:10 p.m.

Councilmember Michelson made a motion to approve Ordinance 2025-07, as presented. Councilmember Lairsen seconded. The motion passed by a vote of 7-0.

ITEM 5-A. DISCUSSION AND/OR ACTION TO CONSIDER THE CITY COUNCIL MINUTES OF THE MAY 21, 2024 AND JUNE 4, 2024 MEETINGS.

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

ITEM 5-B. DISCUSSION AND/OR ACTION REGARDING THE PROPOSED TEXAS MONTHLY 2025 BBQ WORLD'S FAIR EVENT SPONSORSHIP AGREEMENT FOR THE NOVEMBER 1-2, 2025, TEXAS MONTHLY BBQ WORLD'S FAIR EVENT.

Councilmember Michelson made a motion to approve the Texas Monthly 2025 BBQ World's Fair Event Sponsorship agreement, as presented. Councilmember Lairsen seconded. The motion passed by a vote of 7-0.

ITEM 5-C. DISCUSSION AND/OR ACTION REGARDING AMENDING THE CONTRACT WITH GBRA TO INCLUDE A FUTURE SECOND DELIVERY POINT FROM THE GONZALES CARRIZO GROUNDWATER SUPPLY PROJECT.

Councilmember Lairsen made a motion to approve amending the contract with GBRA, as presented. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 5-D. PRESENTATION, DISCUSSION AND/OR ACTION REGARDING THE CITY OF LOCKHART AND THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION'S FISCAL YEAR 2023-24 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ANNUAL FINANCIAL AUDIT) BY BROOKSWATSON & COMPANY, PLLC., AN INDEPENDENT PUBLIC ACCOUNTING FIRM.

Mayor Pro-Tem Sanchez made a motion to approve the City of Lockhart and the Lockhart Economic Development Corporation's Fiscal Year 2023-2024 Annual Comprehensive Financial Report, as presented. Councilmember Lairsen seconded. The motion passed by a vote of 7-0.

ITEM 5-E. DISCUSSION AND/OR ACTION REGARDING THE PURCHASE OF A PORTABLE STAGE TO BE AVAILABLE FOR PARK, CITY-SPONSORED, AND COMMUNITY EVENTS.

Councilmember Castillo spoke against renting city owned equipment.

Mr. Lewis clarified that the agenda item is to consider purchasing the portable stage. If the purchase of the portable stage is approved, staff will return with an agenda item on a future Council meeting to consider whether to allow rental of the stage.

Councilmember Michelson made a motion to approve the purchase of a portable stage, as presented, not to exceed the purchase price of $10,000. Councilmember Lairson seconded. The motion passed by a vote of 6-1, with Councilmember Castillo opposing.

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

- Update regarding City-Wide Spring Clean up event held on March 24.
- Splash pads opened for the season on April 1.
- Update on the selection process to hire design consulting engineers for the new aquatic center.
- Update on preparations for the release of Request for Qualifications (RFQ) for architectural services for indoor recreation center project.
- Update on new traffic light installation at FM 1322 and FM 20.

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

Mayor Pro-Tem Sanchez expressed condolences to the family of Beirne Eeds for their loss.

Councilmember Westmoreland expressed appreciation to Beirne Eeds for his contribution to the community.

Councilmember Lairsen expressed condolences to the Eeds family for their loss.

Councilmember Castillo expressed condolences to the Eeds family for their loss. He thanked city staff for their work. He congratulated the soccer team for making it to the playoffs.

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

Mayor White invited everyone to First Friday events.

EXECUTIVE SESSION

Mayor White announced that the Council would enter Executive Session at 8:28 p.m. to discuss agenda items 8A and 9A as listed below.

ITEM 8-A. 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 CA-241.

ITEM 9-A. EXECUTIVE SESSION IN ACCORDANCE WITH THE PROVISIONS OF THE GOVERNMENT CODE, TITLE 5, SUBCHAPTER D, SECTION 551.072 - TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY IF DELIBERATION IN AN OPEN MEETING WOULD HAVE A DETRIMENTAL EFFECT ON

THE POSITION OF THE GOVERNMENTAL BODY IN NEGOTIATIONS WITH A THIRD PERSON. Discussion regarding possible land acquisition related to public parks.

OPEN SESSION

Mayor White announced that the Council would enter Open Session at 9:05 p.m.

ITEM 10-A. DISCUSSION AND/OR ACTION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS WITH PROJECT CA-241.
No action was taken.

ITEM 10-B. DISCUSSION AND/OR ACTION REGARDING POSSIBLE LAND ACQUISITION RELATED TO PUBLIC PARKS.
Mayor White made a motion to authorize staff to make an offer on the property discussed in closed session up to the amount as discussed in closed session. Mayor Pro-Tem Sanchez 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 9:10 p.m.

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

CITY OF LOCKHART

_____
Lew White, Mayor

ATTEST:

_____
Julie Bowermon
City Secretary

DRAFT

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

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

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

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

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

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

DISCUSSION ONLY

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

B. DISCUSS HOTEL OCCUPANCY TAX (HOT) ALLOCATIONS AS RECOMMENDED BY THE HOT ADVISORY BOARD FOR THE 2025 FUNDING YEAR.
Ms. Michna stated that on April 3, 2025, the Hotel Occupancy Tax (HOT) Advisory Board met to review and discuss Hotel Tax funding applications for FYE 2025. The City of Lockhart collects a 7% Hotel Occupancy Tax from hotels, bed & breakfasts, and other lodging facilities. The revenue from the HOT fund may be used only to directly promote tourism and the hotel and convention industry. The Funding Application Form provides applicants the specific eligible uses of HOT funds under state law requirements, outlines city policy, and provides guidance on the priority uses for Hotel Tax funds. A copy of this form is attached for reference. This funding cycle, the City received ten applications from eight organizations. The eight organizations include: Caldwell County Jail Museum, Courthouse Nights, Gaslight-Baker Theatre, Greater Caldwell County Hispanic Chamber of Commerce, Lockhart Chamber of Commerce, Lockhart Initiative for Tourism, Spellerberg Projects, and Troubador Image + Sound. All applicants were in attendance at the HOT Advisory Board meeting and made formal presentations. The total amount requested was $323,000. This is an increase of $100,500 over the amount requested in FYE

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

Mayor White requested the following to address the Council:

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

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

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

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

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

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

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

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

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

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

C. DISCUSS MID-YEAR FINANCIAL REPORT FOR FYE 2025.

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

D. DISCUSS THE 2ND QUARTER FISCAL YEAR 2025 INVESTMENT REPORT

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

E. DISCUSS THE PRELIMINARY BUDGET AND TAX CALENDAR FOR FISCAL YEAR 2025-2026.

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

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

ITEM 1. CALL TO ORDER,

Mayor Lew White called the meeting to order at 8:25 p.m.

ITEM 2. INVOCATION, PLEDGE OF ALLEGIANCE.

Mayor White gave the Invocation and led the Pledge of Allegiance to the United States and Texas flags.

ITEM 3. PUBLIC COMMENT.

Mayor White requested citizens to address the Council.

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

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

ITEM 5-A. DISCUSSION AND/OR ACTION REGARDING HOTEL OCCUPANCY TAX (HOT) ALLOCATIONS AS RECOMMENDED BY THE HOT ADVISORY BOARD FOR THE 2025 FUNDING YEAR.

Mayor White recommended that the Visitors Bureau and Spellerberg Project funding be tabled to a meeting in May to allow additional discussion. There was discussion.

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

ITEM 4. CONSENT AGENDA.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

There was no action taken.

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

- Update on Project 5C, which updates copper lines and improves electrical reliability.
- Staff is reviewing bids for Gateway Monument Sign project.
- Lockhart Municipal Airport Runway paving scheduled to begin on May 5.
- City offices will be closed on Friday, April 18.
- Courthouse Nights music series begins April 18.
- Kiwanis 5K Stampede scheduled for April 26.
- Cinco de Mayo 5K/10K run scheduled for May 3.

- Recent awards and acknowledgements for Lockhart.
- Report on LCRA Steps Forward Volunteer Program at Lions Park.

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

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

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

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

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

EXECUTIVE SESSION

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

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

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

OPEN SESSION

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

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

There was no action taken.

ITEM 10. ADJOURNMENT

Mayor Pro-Tem Sanchez made a motion to adjourn the meeting. Councilmember Mendoza seconded. The motion passed by a vote of 7-0. The meeting was adjourned at 9:44 p.m.

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

CITY OF LOCKHART

_____
Lew White, Mayor

ATTEST:

_____
Julie Bowermon
City Secretary

DRAFT

REGULAR MEETING
LOCKHART CITY COUNCIL **MAY 6, 2025** **6:30 P.M.**

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

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

Staff present:
Steve Lewis, City Manager
Joseph Resendez, Assistant City Manager
David Fowler, Planning Director
Travis Hughes, Parks Director
Tatiana Salazar, Public Information Officer
Brad Bullock, City Attorney
Julie Bowermon, City Secretary
Sean Kelley, Public Works Director
Gary Williamson, Police Chief

Citizens/Visitors Addressing the Council: Sam Marquez of Bluebonnet Trails; Brian Garcia and Jim Markle of JES Holdings; Devin Kleinfelder of DR Horton.

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 PROCLAMATION DECLARING MAY 2025 AS MENTAL HEALTH AWARENESS MONTH.
Mayor White presented the proclamation to Sam Marquez of Bluebonnet Trails of Lockhart.

B. DISCUSSION REGARDING THE REQUEST FROM CALDWELL COUNTY CHRISTIAN MINISTRIES (CCCM) TO RENEW THEIR LEASE FOR FIVE (5) YEARS AS PROVIDED IN THEIR CURRENT LEASE FOR PORTIONS OF THE BUILDING AT 901 BOIS D' ARC STREET KNOWN AS THE FOOD PANTRY, INCLUDING LAND LEASED FOR THE COMMUNITY GARDEN.
Mr. Kelley stated that Caldwell County Christian Ministries (CCCM) has requested to renew their building lease of the space located at 901 Bois D' Arc Street, commonly known as the Food Pantry. CCCM has been operating at the location since 2010 and has a commendable reputation for helping our community with this valuable service. In 2020, CCCM began leasing land at 901 Bois D' Arc Street with an interest in continuing the Community Garden and expanding the efforts of CCCM to provide fresh produce to its customers, which has been highly successful. The lease provides that CCCM shall: 1) pay an annual rent of $1.00; 2) pay all costs of fuel, electricity, solid waste, telephone, and other utilities used on the premises; 3) at all times maintain a comprehensive liability insurance policy; and, 4) seek approval from the City for any renovations, signs, etc. If approved, the terms of the proposed lease agreement would be set to expire April 30, 2030. CCCM would have the right to renew this lease for an additional five (5) year term provided they give the City 90-day notice of their intent to renew the lease. There was discussion.

C. DISCUSS A PROFESSIONAL SERVICES AGREEMENT FOR ENGINEERING, LEGAL, AND FINANCIAL REVIEW FOR A DEVELOPMENT AGREEMENT FOR A PROPOSED RESIDENTIAL DEVELOPMENT ON APPROXIMATELY 966 ACRES LOCATED EAST OF NORTH COLORADO STREET/US 183 NEAR THE INTERSECTION WITH SH 130.

Mr. Fowler stated that the applicant has expressed interest in developing a property northeast of the City's northern boundary. The applicant has expressed interest in creating a Municipal Utility District (MUD) that would potentially utilize City water and wastewater services. To date, City staff have seen only schematic details of the potential design of the development. However, from discussion with the applicant, it appears that the proposed development will be mixed-use in nature, with the possibility of several types of residential development, commercial development, a school site, parks, and other community facilities within the development. Most of the development area is within the City's Extraterritorial Jurisdiction (ETJ) and also within the City's water and wastewater CCN area. It is expected that the agreement would bring the entirety of the development both into the ETJ and into the CCN. It is expected that the property would be developed as an ETJ MUD with the possibility of annexation in the future. The proposed professional service agreement is designed to establish an escrow account to facilitate the legal, engineering, and financial review of the project up to the point at which an agreement is reached. There was discussion.

D. DISCUSSION OF RESOLUTION 2025-13 IN SUPPORT OF A REQUEST BY JES DEV CO AND MAPLE PARK MANOR, LP FOR A PARTIAL CITY AD VALOREM TAX ABATEMENT REQUEST AND PROPOSED PAYMENT IN LIEU OF TAXES (PILOT) FOR THE DEVELOPMENT OF A SENIOR HOUSING PROJECT LOCATED ON 2.239 ACRES, APPROXIMATELY 900 FEET NORTHWEST OF THE INTERSECTION OF CITY LINE ROAD AND CLEARFORK STREET.

Mr. Fowler stated that the applicants, JES Dev Co and Maple Park Manor, LP, have been planning to build the second phase of the Maple Park senior housing development, which is proposed as a two-story, income-restricted, independent senior living project with 30 residential units. Due to the applicants' recent unsuccessful application for funds from the Federal Home Loan Bank of Dallas, the applicant has proposed partnering with Lone Star Housing, a Community Housing Development Organization, which would potentially allow the Caldwell County Appraisal District to grant the project a 50 percent ad valorem tax exemption under Section 11.1825 of the Texas Tax Code. To offset the loss of City taxes, the applicant has agreed to a Payment in Lieu of Taxes (PILOT) directly to the City starting on the 11th year after the date of the agreement. The PILOT agreement specifies a payment of $2,681 on the 11th year of the agreement, with amounts escalating to $5,034 on the 20th anniversary of the agreement. After the 20th anniversary, the payment would be equal to the full amount lost by the City due to the tax exemption. In addition to stating the terms of the tax exemption, the resolution and the accompanying Letter of Intent state that the applicants will build Lincoln Lane from Clearfork Street to Maple Street. In addition to constructing a long-anticipated street, this would also provide the Maple Park Manor site with street frontage, the lack of which has impeded the project from being eligible to apply for a building permit. Without the tax exemption agreement, the applicants believe the project would not be financially feasible, thus preventing the construction of 30 units of affordable senior citizen housing.

Brian Garcia and Jim Markle of JES Holdings provided information and there was discussion about the proposed development.

E. DISCUSS APPROVING A PURCHASE AGREEMENT WITH MELLO SIGNS FOR GATEWAY MONUMENT SIGNAGE FABRICATION AND INSTALLATION.

Mr. Hughes stated that the city previously formed a Wayfinding Committee to develop a cohesive signage plan to assist and welcome residents and visitors. The resulting Wayfinding Master Plan was approved by Council on January 25, 2021.

On May 2, 2023, Council approved Phase 1 of the project, which includes three gateway monument signs to be placed at key entrances to Lockhart:

- Highway 183/SH-130 from the north
- Highway 142 from the west
- SH-130 from the south

Resolution 2024-25, passed on September 17, 2024, authorized the fabrication and installation of these signs in the TxDOT right-of-way, in compliance with TxDOT requirements. A formal competitive sealed bid solicitation was published on March 10, 2025, for the fabrication and installation of the monument signs. The City received four bids ranging from $90,993 - $254,997. The lowest bid was removed from consideration for excluding a significant portion of the base scope. The second-lowest bidder, Mello Signs, was selected as the recommended project contractor after staff reviewed references and previous projects. If approved, Mello Signs will begin fabrication immediately, with installation expected within four months. There was discussion.

F. DISCUSSION REGARDING A DRAFT REQUEST FOR QUALIFICATIONS (RFQ) FOR ARCHITECTURAL SERVICES REGARDING THE REMODEL OF THE NEWLY ACQUIRED RECREATION CENTER BUILDING.

Mr. Hughes stated that the City has recently acquired the former movie theater building located at 120 W. MLK Jr. Industrial Blvd. and is planning to re-purpose the building as a recreation center to provide for a variety of activities such as basketball, volleyball, pickleball, and group exercise classes. These spaces will be designed for flexibility so they can be utilized for a variety of activities and special events. This RFQ has been developed to assist us in obtaining the professional services of an architectural firm with experience in developing these types of recreational facilities. The selected firm will engage with the citizens of Lockhart to determine and prioritize the types of programs and services this recreation facility will support. Each space will be designed to support multiple activities, thereby maximizing access to Lockhart residents. Sections III and IV of the RFQ provide for project goals and scope. Appendix A provides the schedule for hiring an Architect. There was discussion.

G. DISCUSSION REGARDING THE PURCHASE OF TWO 2025 FORD POLICE INTERCEPTOR UTILITY VEHICLES AND TWO 2025 FORD F-150 POLICE RESPONDER PICKUP TRUCKS FROM SILSBEE FORD UTILIZING THE INTERLOCAL PURCHASING SYSTEM, BETTER KNOWN AS, TIPS PURCHASING COOPERATIVE.

Chief Williamson stated that the Lockhart Police Department requests approval to utilize $218,741.50 in American Rescue Plan Act (ARPA) funds for the purchase of two 2025 Ford Police Interceptor Utility vehicles and two 2025 Ford F-150 Police Responder pickup trucks. The vehicles would be purchased from Silsbee Ford through the Interlocal Purchasing System (TIPS Purchasing Cooperative), ensuring a competitive and cost-effective procurement process. These vehicles are necessary to replace aging, high-maintenance patrol units currently in service. The addition of pickup trucks to the fleet is particularly important, as it enhances operational capabilities by enabling officers to transport large property items and evidence — a task that currently requires assistance from other City departments, causing delays and inefficiencies. Pickup trucks provide versatility, increased payload capacity, and improved performance

in off-road and adverse weather conditions, making them highly suitable for a range of policing activities, including critical incident response, search and recovery operations, and natural disaster assistance. Their inclusion in the fleet will significantly strengthen the department's ability to serve the community quickly and effectively. The funds cover the purchase of the vehicles only and do not include upfitting costs for necessary police equipment. On December 3, 2024, the Lockhart City Council approved the use of ARPA funds — up to $230,000 — to support the partial replacement of the Police Department's vehicle fleet.The requested allocation of $218,741.50 directly supports the City's commitment to public safety, fleet modernization, and responsible use of federal recovery funds.

H. DISCUSSION REGARDING RESOLUTION 2025-11, RESOLUTION 2025-12, AND AUTHORIZING THE FOLLOWING DOCUMENTS, POLICIES, PROCEDURES, AMENDMENTS AND PROCLAMATION ASSOCIATED WITH THE TEXAS GENERAL LAND OFFICE (GLO) PROJECT CONTRACT # 24-065-120-E962 RELATED TO WATER LINE IMPROVEMENTS ON BOIS D' ARC STREET AND NORTH BLANCO STREET. 1. RESOLUTION 2025-11, DESIGNATING AUTHORIZED SIGNATORIES. 2. RESOLUTION 2025-12, REGARDING CIVIL RIGHTS POLICIES. 3. FAIR HOUSING PROCLAMATION. 4. AMENDMENT #1 FOR THE GRANT ADMINISTRATIVE SERVICES & ENVIRONMENTAL SERVICES. 5. AMENDMENT #1 FOR THE ENGINEERING SERVICES CONTRACT. 6. AMENDMENT #1 FOR THE CITY OF LOCKHART PURCHASING POLICY PERTAINING TO THE GLO GRANT. 7. AMENDMENT #1 FOR THE CITY OF LOCKHART FINANCIAL POLICY PERTAINING TO THE GRANT.

Mr. Kelley stated that 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. These documents are another portion of the General Land Office (GLO) grant requirements in which the City must take action on policies, procedures and the proclamation of Fair Housing Month. They ensure that no person or group is denied benefits such as employment, training, housing, and contracts generated by the grant activity, on the basis of race, color, religion, sex, national origin, age, or disability. The Resolutions contain statements that identify signatures for the project and civil rights.

Tonight's Documents for consideration include:

- Resolution 2025-11, designating authorized signatories.
- Resolution 2025-12, regarding Civil Rights Policies.
- Fair Housing Proclamation.
- Amendment #1 for the Grant Administrative Services & Environmental Services.
- Amendment #1 for the Engineering Services Contract.
- Amendment #1 for the City of Lockhart Purchasing Policy pertaining to the GLO grant.
- Amendment #1 for the City of Lockhart Financial Policy pertaining to the grant.

Grant administration representative provided information about the grant application process and grant requirements.

I. DISCUSSION REGARDING SCHEDULING A SPECIAL COUNCIL WORKSHOP TO DISCUSS THE VISITOR CENTER AND TOURISM EFFORTS WITHIN THE COMMUNITY.

Mayor White stated that during the recent Hotel Occupancy Tax (HOT) allocation presentations to City Council on April 15, 2025, the Lockhart Chamber of Commerce made a request for additional funding to

support the Visitor's Bureau and Information Center in FY 2025. During the meeting Council expressed a desire to hold a special Council workshop in the near future with representatives from the Lockhart Chamber and Lockhart Economic Development Corporation to discuss the visitor's center and tourism efforts.

After discussion, the consensus of the Council was to conduct the special meeting on May 22, 2025 at 6:00 p.m.

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

ITEM 1. CALL TO ORDER,
Mayor Lew White called the meeting to order at 8:00 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. There were none.

ITEM 4-A. HOLD A PUBLIC HEARING AND CONSIDER APPROVAL OF ORDINANCE 2025 03, ANNEXING 84.981 ACRES OUT OF THE JOHN A. NEILL SURVEY, ABSTRACT 20, CALDWELL COUNTY, TEXAS, LOCATED EAST OF THE INTERSECTION OF FM 1322 AND CENTERPOINT ROAD AND ADDRESSED AS 2500 FM 1322.
Mayor White opened the public hearing at 8:01 p.m.

Mr. Fowler stated that this item is the rescheduled public hearing for the annexation of nearly 85 acres south of Seawillow Subdivision, section one, located east of the intersection of FM1322 and Centerpoint Road. The hearing had originally been scheduled for December 17, 2024, but has been postponed three times at the applicant's request as they have needed extra time to ensure that wastewater service would be available at the site. The intended land use on the site is single-family residential. Although the property will be assigned an initial zoning of AO Agricultural-Open Space District, the next item on the agenda will be the public hearing regarding the proposed zoning of the property to RMD Residential Medium Density District. The property is located in the CCN for Aqua Texas Water, however an agreement to transfer the CCN to the City of Lockhart for the adjacent Seawillow Ranch property was executed on April 8, 2025. The applicant plans to petition to also leave the Aqua CCN to allow connection to City water and wastewater services, both of which will require extension to reach the property. In addition to the petition materials, the ordinance contains the annexation service agreement for the property. Most notably, the service agreement reflects that the property is not currently in the City water CCN and would require a release from the current CCN to facilitate City water service. The annexation service agreement has also been updated to reflect the adoption of the Lockhart Looking Forward Comprehensive Plan in November 2024. Mr. Fowler stated that staff recommended approval. There was discussion.

Mayor White requested the applicant to address the Council.

Devin Kleinfelder of DR Horton provided information and there was discussion about the proposed development.

Mayor White requested citizens to address the Council. There was none. He closed the public hearing at 8:10 p.m.

Councilmember Westmoreland made a motion to approve Ordinance 2025-03, as presented. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 4-B. HOLD A PUBLIC HEARING ON APPLICATION ZC-24-08 BY TALLEY J. WILLIAMS ON BEHALF OF BLACKJACK BLOCK, LLC AND DISCUSSION AND/OR ACTION ON ORDINANCE 2025-04 FOR A ZONING CHANGE FROM AO AGRICULTURAL-OPEN SPACE DISTRICT TO RMD RESIDENTIAL MEDIUM DENSITY DISTRICT ON 84.981 ACRES IN THE JOHN A. NEILL SURVEY, ABSTRACT NO. 20, LOCATED EAST OF THE INTERSECTION OF FM 1322 AND CENTERPOINT ROAD AND ADDRESSED AS 2500 FM 1322.

Mayor White opened the public hearing at 8:12 p.m.

Mr. Fowler stated that this item is the rescheduled public hearing for the rezoning of the subject property from the AO Agricultural-Open Space District to RMD Residential Medium Density District. The hearing had originally been scheduled for December 17, 2024, but has since been postponed twice at the request of the applicant. The property is scheduled to be annexed at a public hearing to be held earlier in the same City Council meeting. The purpose of the proposed zoning change is to allow the construction of a single-family residential development of the SF-2 type, which is not possible in the AO zoning district. The site is adjacent to another development of the same type and other nearby areas with identical zoning. The site is relatively flat, and does not have any areas within the one percent annual floodplain. The site is located past the current extent of the City's water and wastewater system, but will likely tie into utility extensions being built for other nearby subdivisions. The property is currently located within the Aqua Water CCN, which means that the owner must obtain a release of the property from the Aqua CCN before the City can serve the property.

Mayor White requested citizens to address the Council. There were none. He closed the public hearing at 8:16 p.m.

Councilmember Castillo made a motion to approve Ordinance 2025-04, as presented. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 7-0.

ITEM 5. CONSENT AGENDA.

Councilmember Castillo made a motion to approve consent agenda items 5A, 5B, 5C, 5D, 5E, 5F, and 5G. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 7-0.

The following are the consent agenda items that were approved:

5A: Approve Resolution 2025-11 designating authorized signatories associated with the Texas General Land Office (GLO) Project Contract # 24-065-120-E962 related to water line improvements on Bois D' Arc Street and North Blanco Street.

5B: Approve Resolution 2025-12 regarding Civil Rights Policies associated with the Texas General Land Office (GLO) Project Contract # 24-065-120-E962 related to water line improvements on Bois D' Arc Street and North Blanco Street.

5C: Approve proclamation declaring July 2025 as Fair Housing Month

5D: Approve Amendment #1 for the Grant Administrative Services & Environmental Services Contract for the Texas General Land Office (GLO) Project Contract # 24-065-120-E962 related to water line improvements on Bois D' Arc Street and North Blanco Street.

5E: Approve Amendment #1 for the Engineering Services Contract for the Texas General Land Office (GLO) Project Contract # 24-065-120 E962 related to water line improvements on Bois D' Arc Street and North Blanco Street.

5F: Approve Amendment #1 to the City of Lockhart Purchasing Policy.

5G: Approve Amendment #1 to the City of Lockhart Financial Policy.

ITEM 6-A. DISCUSSION AND/OR ACTION REGARDING THE REQUEST FROM CALDWELL COUNTY CHRISTIAN MINISTRIES (CCCM) TO RENEW THEIR LEASE FOR FIVE (5) YEARS AS PROVIDED IN THEIR CURRENT LEASE FOR PORTIONS OF THE BUILDING AT 901 BOIS D' ARC STREET KNOWN AS THE FOOD PANTRY, INCLUDING LAND LEASED FOR THE COMMUNITY GARDEN.

Councilmember Michelson made a motion to renew the Caldwell County Christian Ministries lease, as presented. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 7-0.

ITEM 6-B. DISCUSSION AND/OR ACTION TO CONSIDER A PROFESSIONAL SERVICES AGREEMENT FOR ENGINEERING, LEGAL, AND FINANCIAL REVIEW FOR A DEVELOPMENT AGREEMENT FOR A PROPOSED RESIDENTIAL DEVELOPMENT ON APPROXIMATELY 966 ACRES LOCATED EAST OF NORTH COLORADO STREET/US 183 NEAR THE INTERSECTION WITH SH 130.

Councilmember Lairsen made a motion to approve the Professional Services Agreement, as presented. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 6-C. DISCUSSION AND/OR ACTION TO CONSIDER RESOLUTION 2025-13 IN SUPPORT OF A REQUEST BY JES DEV CO AND MAPLE PARK MANOR, LP FOR A PARTIAL CITY AD VALOREM TAX ABATEMENT REQUEST AND PROPOSED PAYMENT IN LIEU OF TAXES (PILOT) FOR THE DEVELOPMENT OF A SENIOR HOUSING PROJECT LOCATED ON 2.239 ACRES, APPROXIMATELY 900 FEET NORTHWEST OF THE INTERSECTION OF CITY LINE ROAD AND CLEARFORK STREET.

Councilmember Lairsen made a motion to approve Resolution 2025-13, as presented. Councilmember Castillo seconded. The motion passed by a vote of 7-0.

ITEM 6-D. DISCUSSION AND/OR ACTION TO CONSIDER APPROVING A PURCHASE AGREEMENT WITH MELLO SIGNS FOR GATEWAY MONUMENT SIGNAGE FABRICATION AND INSTALLATION.

Councilmember Michelson made a motion to approve a Purchase Agreement with Mello Signs, as presented.

There was discussion about maintenance of the signs in the event that the signs are vandalized.

Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 6-E. DISCUSSION AND/OR ACTION REGARDING A DRAFT REQUEST FOR QUALIFICATIONS (RFQ) FOR ARCHITECTURAL SERVICES REGARDING THE REMODEL OF THE NEWLY ACQUIRED RECREATION CENTER BUILDING.

Councilmember Michelson made a motion to approve the RFQ for architectural services, as presented. Councilmember Lairsen seconded. The motion passed by a vote of 7-0.

ITEM 6-F. DISCUSSION AND/OR ACTION TO CONSIDER THE PURCHASE OF TWO 2025 FORD POLICE INTERCEPTOR UTILITY VEHICLES AND TWO 2025 FORD F-150 POLICE RESPONDER PICKUP TRUCKS FROM SILSBEE FORD UTILIZING THE INTERLOCAL PURCHASING SYSTEM, BETTER KNOWN AS, TIPS PURCHASING COOPERATIVE.

Councilmember Lairsen made a motion to approve the purchase of two 2025 Ford Police Interceptor Utility vehicles and two 2025 Ford F-150 Police Responder trucks, as presented. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 6-G. DISCUSSION AND/OR ACTION REGARDING SCHEDULING A SPECIAL COUNCIL WORKSHOP TO DISCUSS THE VISITOR CENTER AND TOURISM EFFORTS WITHIN THE COMMUNITY.

Mayor Pro-Tem Sanchez made a motion to schedule the special Council workshop on May 22, 2025 at 6:00 p.m. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

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

- TXDOT 2025 Roadway Safety Sheet for Caldwell County and Lockhart.
- Update on Caldwell County Road Bond project.
- Update on Rosenwald-Carver School restoration project.
- Lone Star Logistics ribbon cutting took place on May 1.
- Household Hazardous Waste event is scheduled for June 7 in City Park.

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

Councilmember Westmoreland congratulated the Kiwanis Club and Hispanic Chamber on successful running events.

Councilmember Mendoza congratulated the Kiwanis Club and Hispanic Chamber on successful running events. He thanked Carver School for their event.

Mayor Pro-Tem Sanchez expressed condolences to the family of Julia Mendez for their loss. She congratulated all who participated in the *50 Lions Who Can Cook* event. She congratulated the Hispanic Chamber for the successful Cinco de Mayo event.

Councilmember Lairsen thanked all that participated in the recent successful events. He thanked the Police Department for keeping the community safe during the events.

Councilmember Castillo commented on recent crime in the community. He congratulated the Hispanic Chamber for a successful Cinco de Mayo event. He thanked Councilmember Lairsen for working with him during the *50 Lions Who Can Cook* event. He thanked the Library staff for a successful Mariachi event.

Councilmember Michelson thanked all that participated in the Cinco de Mayo and First Friday events. He thanked all that attended the *50 Lions Who Can Cook*.

Mayor White thanked all for successful events. He expressed condolences to the family of Nuhad Schuman for their loss. He invited everyone to the Millscale event and he congratulated the school district on the school bond election.

EXECUTIVE SESSIONS

Mayor White announced that the Council would enter Executive Session at 8:57 p.m. to discuss items 9A and 10A, as listed below.

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 LEGAL MATTERS SUBJECT TO ATTORNEY/CLIENT PRIVILEGE AND TO SEEK ADVICE ABOUT PENDING OR CONTEMPLATED LITIGATION.

A. Discussion with City Attorney regarding City of Grand Prairie, et al. and City of Brownsville, et al. v. State of Texas and 2020 Long Tail Trail Investments, LLC, Cause No. D-1-GN-23-007785, pending in the 261st Judicial District Court, Travis County.

ITEM 10. EXECUTIVE SESSION IN ACCORDANCE WITH THE PROVISIONS OF THE GOVERNMENT CODE, TITLE 5, SUBCHAPTER D, SECTION 551.071, PRIVATE CONSULTATION WITH ITS ATTORNEY TO SEEK ADVICE ABOUT LEGAL MATTERS SUBJECT TO ATTORNEY/CLIENT PRIVILEGE AND SECTION 551.072 OF THE TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY IF DELIBERATION IN AN OPEN MEETING WOULD HAVE A DETRIMENTAL EFFECT ON THE POSITION OF THE GOVERNMENTAL BODY IN NEGOTIATIONS WITH A THIRD PERSON.

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

OPEN SESSION

Mayor White announced that the Council would enter Open Session at 9:36 p.m.

ITEM 11-A. DISCUSSION AND/OR ACTION REGARDING CITY OF GRAND PRAIRIE, ET AL. AND CITY OF BROWNSVILLE, ET AL. V. STATE OF TEXAS AND 2020 LONG TAIL TRAIL INVESTMENTS, LLC, CAUSE NO. D-1-GN-23-007785, PENDING IN THE 261ST JUDICIAL DISTRICT COURT, TRAVIS COUNTY.

No action taken.

ITEM 11-B. DISCUSSION AND/OR ACTION REGARDING ACQUISITION OF MULTIPLE UTILITY EASEMENTS BETWEEN S. MAIN STREET AND S. COMMERCE STREET.

Mayor White made a motion to direct the City Attorney to 1) draft a global resolution authorizing the City Manager to execute utility easements within a total amount not to exceed the provision and for individual easement within the City Manager's spending authority on the next council agenda for consideration 2) direct City Attorney to draft a resolution finding a public convenience and necessity and authorizing eminent domain if necessary for certain improvements to the Lockhart square and place on the next council agenda for Council consideration, 3) authorize the City Manager and Right-of-Way agent to send final offers at the appraised values; and 4) authorize the City Attorney, City Manager and Right-of-Way agent to negotiate proposed administrative settlements and return to the Council for final approval. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 12. 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 9:37 p.m.

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

CITY OF LOCKHART

_____
Lew White, Mayor

ATTEST:

_____
Julie Bowermon
City Secretary

DRAFT

REGULAR MEETING
LOCKHART CITY COUNCIL SEPTEMBER 2, 2025 6:30 P.M.

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

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

Staff present:
Joseph Resendez, Assistant City Manager
Julie Bowermon, City Secretary
Travis Hughes, Parks Director
Keeli Michna, Finance Director
Bertha Martinez, Library Director
Steve Lewis, City Manager
Brad Bullock, City Attorney
Sean Kelley, Public Works Director
Gary Williamson, Police Chief
Randy Jenkins, Fire Chief
Will Wachel/TRC, City Engineer

Citizens/Visitors Addressing the Council: Frank Coggins and Ronda Reagan.

6:30 p.m.
The Lockhart City Council attended the retirement reception for retiring City Manager Steve Lewis that was held in the Council Chambers. A quorum of the City Council was present. There was no action of the Lockhart City Council.

ITEM 1. CALL TO ORDER,
Mayor Lew White called the meeting to order at 7:55 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. There were none.

ITEM 4-A. HOLD A PUBLIC HEARING FOR THE CITY OF LOCKHART AND THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION FISCAL YEAR 2025-2026 BUDGET.
Mayor White opened the public hearing at 8:05 p.m.

Mr. Resendez stated that the in accordance with the provisions of Article IX, Section 9.09 of the City of Lockhart Charter - a vote is required for adoption; the budget shall be adopted by the favorable vote of the majority of the members of the whole City Council. This budget also sets forth the fiduciary policies for the City of Lockhart and the Lockhart Economic Development Corporation for the fiscal year October 1, 2025 and ending September 30, 2026. This ordinance will adopt the City's Investment Policy, Financial Policy, and the Fund Balance - Stabilization and Excess of Reserve Policy. The City of Lockhart's Investment Policy must be adopted annually by ordinance according to the City's Charter, Chapter 2256, Section 2256.005. This agenda item allows for the City Council to suggest any final budget changes before a vote is taken. If no additional allocations or deletions are presented, action can be taken to adopt the Fiscal Year 2025-2026 Annual Operating Budget for the City of Lockhart, Caldwell County, Texas and the Lockhart Economic Development Corporation.

Mayor White requested citizens in favor of the proposed budgets to address the Council. There were none.

Mayor White requested the following to address the Council:

Frank Coggins, 602 La Feliciana, requested that the Council increase the cemetery budget to make the cemeteries great again. He suggested that the roads, other areas of the cemetery, and litter and debris be maintained more than once or twice a year. Mr. Resendez stated that staff have considered including maintenance and road repairs at the city cemetery in a citywide maintenance management program.

Ronda Reagan, 412 West San Antonio Street, recommended that the city consider hiring a Main Street Manager instead of hiring an employee for a Visitor's Center. She also stated that Mr. Hilgers informed her that Janet Petrie is the current Chair of the Cemetery committee. She spoke against another organization taking over promoting downtown businesses. There was discussion about tourism.

Mayor White requested additional citizens to address the Council. There were none. He closed the public hearing at 8:30 p.m.

ITEM 4-B. HOLD PUBLIC HEARING ON PROPOSED TAX RATE FOR 2025.

Mayor White opened the public hearing at 8:30 p.m.

Mr. Resendez stated that the proposed tax rate is $0.5541 per $100 of assessed value. The Ordinance describes the two required components of the tax rate; Maintenance and Operations (M&O) and Interest and Sinking (I&S). State law requires a statement regarding the amount by which taxes for maintenance and operations on a $100,000 home will be raised. Based on the proposed tax rate, the maintenance and operations portion of the rate will be $0.4113 per $100 assessed value compared to last year's maintenance and operations rate of $0.4067 per $100 assessed value, resulting in an increase of $0.0046 or 1.13%. The interest and sinking portion of the tax rate increased from $0.1026 to $0.1428 per $100 assessed value, resulting in an increase of $0.0402 or 39.2%. This tax rate will raise more taxes for maintenance and operations than last year's rate. The City of Lockhart's portion of a homeowner's property tax bill is 26% of their total bill based on current tax rates. The remaining 74% of the tax bill is for property taxes charged by the other taxing jurisdictions, including the Lockhart Independent School District (46%), Caldwell County (22%), ESD #5 (4.8%), Plum Creek Conservation District and Groundwater tax (1.4%), and Farm-to-Market (0.005%). Property taxes paid to the City of Lockhart make up approximately 40% of the City's General Fund revenues. Sales tax revenue makes up another 19%, while other fees and services cover the remaining 41%. The revenues from the General Fund provide maintenance and operational support for streets, drainage, parks, infrastructure, police and fire protection. The verbiage contained within this ordinance is in compliance with requirements of Section 26.05(b)(1)(B) of the Texas Tax Code.

Mayor White requested citizens to address the Council about the tax rate. There were none. He closed the public hearing at 8:32 p.m.

ITEM 5-A. DISCUSSION AND/OR ACTION TO CONSIDER RESOLUTION 2025-27 TO AWARD A CONTRACT TO BRS ARCHITECTURE TO CONDUCT A FEASIBILITY STUDY TO GUIDE THE DEVELOPMENT OF A NEW RECREATION CENTER AT THE FORMER HOMETOWN CINEMA SITE AND THE FUTURE DEVELOPMENT OF A PROPOSED RECREATION CENTER ADJACENT TO THE NEW AQUATICS FACILITY, AND AUTHORIZE THE CITY MANAGER TO NEGOTIATE A CONTRACT WITH BRS TO OVERSEE THE DESIGN AND CONSTRUCTION OF THE NEW RECREATION CENTER.

Mr. Hughes stated that on May 13, 2025, staff published a Request for Qualifications (RFQ) for architectural and engineering design services to build a new recreation center by renovating and retrofitting an existing building. Staff received 10 Statements of Qualification in response to the RFQ. Four firms were selected for interviews: Parkhill, Levy Dykema, Barker-Rinker-Seacat (BRS), and Burditt Land Place. Barker-Rinker-Seacat (BRS) was selected as the finalist by the review committee on June 27, 2025. If the professional services contract with BRS is approved by City Council, BRS will begin work on the final design of the facility and oversee construction. Deliverables for the project include design, construction documents, bid documents, a proforma and operational planning. The project will be completed in two steps. The first step will consist of a feasibility study, facility design, construction pricing, and operational planning. This step contemplates the formation of a citizen steering committee consisting of members representing the Parks Advisory Board, Caldwell County Commissioners, Lockhart ISD, and other relevant parties. The second step will consist of the selection of a building contractor, production of construction documents and the oversight of construction. Step 1 is scheduled for completion in approximately 6 months. Step 2 will commence immediately after and is scheduled to be completed 10 months later.

The BRS design and construction administration team will also include Barker Rinker Seacat Architecture, P.C., Halff & Associates, and Ballard King & Associates to provide design expertise and assistance to various aspects of the project including:

- Landscape Architecture / Site Design
- Architecture
- Mechanical, Electrical, Plumbing (MEP)
- Recreation Center Design,
-Operational Proforma, and
- Civil Engineering

There was discussion about formation of a steering committee to provide recommendations of the development of the Recreation Center.

Councilmember Michelson made a motion to approve Resolution 2025-27, as presented. Councilmember Lairsen seconded. The motion passed by a vote of 7-0.

ITEM 5-B. DISCUSSION AND/OR ACTION TO CONSIDER ADOPTION OF ORDINANCE 2025-18 REGARDING THE ESTABLISHMENT OF A RESIDENTIAL PARKING PERMIT PROGRAM.

Chief Williamson stated that the ordinance creates the framework for a Residential Parking Permit Program, specifically regulating on-street parking in residential areas. The program does not automatically designate any parking restrictions. Instead, property owners would be required to petition the City Council for the creation of a residential permit parking area. Only upon council approval would a designated permit area be established. This ordinance was tabled at the previous meeting for further review and is now being reconsidered by the Council. Questions were raised about whether both sides of a street must be designated as a permit area, whether residents can request only one side of the street be designated as a permit area, if there is a fee for permits, and whether a public hearing is needed. Staff and Council adequately addressed these questions, and the ordinance was clarified to specify that the permit fee applies only to lost permits. The program is proposed in response to ongoing complaints from residents near the high school, where student parking in surrounding neighborhoods has limited on-street parking for residents during school hours. He stated that staff have worked with James Bertram to address his concerns that were expressed at the last Council meeting. There was discussion.

Councilmember Lairsen made a motion to approve Ordinance 2025-18, as presented. Councilmember Castillo seconded. The motion passed by a vote of 7-0.

ITEM 5-C. DISCUSSION AND/OR ACTION REGARDING ORDINANCE 2025-19 ADOPTING THE CITY OF LOCKHART'S ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2025 2026 AND APPROPRIATING RESOURCES, BEGINNING OCTOBER 1, 2025, ENDING SEPTEMBER 30, 2026, FOR THE CITY OF LOCKHART, CALDWELL COUNTY, TEXAS AND THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION AND ADOPTING THE CITY'S INVESTMENT POLICY, FINANCIAL POLICY, AND FUND BALANCE - STABILIZATION AND EXCESS OF RESERVES POLICIES.

Councilmember Lairsen made a motion to approve Ordinance 2025-19 adopting the City of Lockhart's and Economic Development Corporation's annual budget for the Fiscal Year 2025-2026 beginning October 1, 2025 and ending September 30, 2026. Councilmember Westmoreland seconded.

The roll call vote is as follows:

Councilmember Brad Westmoreland – Aye
Councilmember Juan Mendoza – Aye
Mayor Pro-Tem Angie Gonzales-Sanchez – Aye
Councilmember John Lairsen – Aye
Councilmember John Castillo – Aye
Councilmember Jeffry Michelson – Aye
Mayor Lew White – Aye

The motion passed by a vote of 7-0.

Councilmember Westmoreland made a motion to ratify the property tax reflected in the budget for Fiscal Year 2025 – 2026 of the City of Lockhart, Texas. Councilmember Lairsen seconded. The motion passed by a vote of 7-0.

ITEM 5-D. DISCUSSION AND/OR ACTION REGARDING ORDINANCE 2025-20 ADOPTING THE TAX RATE ON TAXABLE PROPERTY WITHIN THE CITY LIMITS OF THE CITY OF LOCKHART, TEXAS AND LEVYING MAINTENANCE AND OPERATIONS PROPERTY TAXES FOR THE USE AND SUPPORT OF THE CITY OF LOCKHART, TEXAS AND INTEREST AND SINKING PROPERTY TAXES FOR THE DEBT SERVICE OBLIGATIONS OF THE CITY OF LOCKHART, CALDWELL COUNTY, TEXAS FOR FISCAL YEAR 2026, BEGINNING OCTOBER 1, 2025 AND ENDING SEPTEMBER 30, 2026.

Councilmember Michelson made a motion to approve the maintenance and operations rate adopted at .4113 cents per 100 of assessed value as listed in Ordinance 2025-20 thereby adopting said ordinance. Councilmember Castillo seconded. The motion passed by a vote of 7-0.

Councilmember Castillo made a motion to approve the interest and sinking rate adopted at .1428 cents per 100 of assessed value as listed in Ordinance 2025-20 thereby adopting said ordinance. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

Councilmember Lairsen made a motion that the property tax rate be increased by the adoption of a tax rate of .5541 which is effectively 11.85 percent increase in the tax rate. Councilmember Mendoza seconded.

The roll call vote is as follows:

Councilmember Brad Westmoreland – Aye
Councilmember Juan Mendoza – Aye
Mayor Pro-Tem Angie Gonzales-Sanchez – Aye
Councilmember John Lairsen – Aye
Councilmember John Castillo – Aye
Councilmember Jeffry Michelson – Aye
Mayor Lew White – Aye

The motion passed by a vote of 7-0.

ITEM 5-E. DISCUSSION AND/OR ACTION REGARDING ORDINANCE 2025-21 REPEALING UNCODIFIED ORDINANCE 2024-25 IN ITS ENTIRETY AND ADOPTING THIS ORDINANCE REGARDING THE CITY PERSONNEL POLICY MANUAL; REMOVING PERFORMANCE OR MERIT PAY FOR POLICE AND FIRE PERSONNEL AND ADOPTING A STEP PAY PLAN FOR POLICE AND FIRE DEPARTMENTS UNDER CIVIL SERVICE.

Ms. Bowermon stated that the Fiscal Year 2025-2026 Budget includes a four and half percent (4 1/2 %) pay increase for all full-time and part-time regular City of Lockhart employees. In compliance with Civil Service, classified police and fire positions are paid per a step pay plan, which is set by ordinance. The proposed ordinance reflects increasing the step plans as included in the budget. Agencies in central Texas continue to experience unremitting vacancies in public safety positions. Consequently, this 4 1/2% adjustment is being proposed to enhance Lockhart's ability to recruit and retain qualified police officers and fire fighters. The City will continue to offer the $10,000 hiring incentive to police officers as well as the lateral entry pay program.

Mayor Pro-Tem Sanchez made a motion to approve Ordinance 2025-21, as presented. Councilmember Castillo seconded. The motion passed by a vote of 7-0.

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

Mayor Pro-Tem Sanchez expressed condolences to the Zapata family for their loss.

Councilmember Castillo expressed a Happy Retirement to Steve Lewis, City Manager. He thanked Mr. Lewis for his dedication to the Council, community and staff.

Councilmember Michelson thanked staff for their work on the budget. He thanked Steve Lewis for his dedication to the Council, community and staff during his tenure as City Manager.

Mayor White also thanked Steve Lewis for his dedication during his tenure as City Manager. He requested an agenda item on the next Council agenda about the 4th of July committee.

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

- Lockhart Planning Department recognized by the Texas Chapter American Planning Association for the new Comprehensive Plan.
- National Night out is scheduled for October 7th.
- Reminder: There will not be a City Council meeting on the first Tuesday of October due to the National Night Out event. The meeting has been moved to Thursday, October 9, 2025.

EXECUTIVE SESSIONS

Mayor White announced that the Council would enter Executive Session at 9:10 p.m. to discuss items 8 and 9 below.

Mr. Lewis stated that the Economic Development Department did not receive the necessary documentation for agenda item 8A, therefore, that item will not be discussed in closed session.

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.

A. Discussion and/or action regarding economic development negotiations with Projects CA-237 and CA-246.

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 LEGAL MATTERS SUBJECT TO ATTORNEY/CLIENT PRIVILEGE.

A. Discussion regarding water supply contracts.

ITEM 10. OPEN SESSION.

Mayor White announced that the Council would enter Open Session at 9:35 p.m.

A. Discussion and/or action regarding economic development negotiations with Projects CA-237 and CA-246.
There was no action taken.

B. Discussion and/or action regarding water supply contracts.
There was no action taken.

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 9:37 p.m.

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

CITY OF LOCKHART

_____
Lew White, Mayor

ATTEST:

_____
Julie Bowermon
City Secretary

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: April 21, 2026

AGENDA ITEM CAPTION: Hold a PUBLIC HEARING regarding application ZC-26-02, by Anthony Goode on behalf of CSW Lockhart LP, and discussion and/or action to consider Ordinance 2026-12 for a ZONING CHANGE from *IL Light Industrial District* to *CHB Commercial Heavy Business District* on a total of 1.806 acres described as Lockhart Industrial Park II, Block 1, Lot 4B, Resubdivision 2, located at 221 East MLK Industrial Boulevard.

ORIGINATING DEPARTMENT AND CONTACT: Development Services - David Fowler

ACTION REQUESTED: Ordinance

BACKGROUND/SUMMARY/DISCUSSION: The proposed zoning change would rezone the subject property, which is located in Lockhart Industrial Park II, from Industrial Light (IL) to Commercial Heavy Business (CHB). The applicant has requested the zoning change in order to allow retail commercial uses on the property. While the zoning change would be consistent with long-range plans for the area, the zoning change could raise concern due to the loss of industrial-zoned land in Industrial Park II. A factor in favor of the proposed rezoning is that being located at the corner of FM 1322 and E. MLK Jr. Industrial Boulevard, the property could serve as a transition between the industrial park and the commercial and residentially-zoned areas to the east. The property has adequate water and wastewater service, and vehicular access to both FM 1322 and East MLK Industrial Boulevard.

One adjacent owner of an IL-zoned property spoke in opposition to the proposed zoning change at the Planning and Zoning Commission meeting held February 25, 2026. The Lockhart EDC also approved a resolution in opposition of the zoning change request and supports the property remaining as Industrial Light (IL). This opposition is stated in a letter which is included in the supporting materials.

PROJECT SCHEDULE (if applicable): The public hearing has been rescheduled from its original advertised date of March 17, 2026.

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

FISCAL NOTE (if applicable): None

PREVIOUS COUNCIL ACTION: None

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COMMITTEE/BOARD/COMMISSION ACTION: The Planning and Zoning recommended approval of the requested zoning change by a vote of 6-1 at tis February 25, 2026 meeting.

STAFF RECOMMENDATION/REQUESTED MOTION: Approval of Ordinance 2026-12, changing the zoning from Industrial Light to Commercial Heavy Business. There is also an alternative classification of the property remaining in IL zoning offered in the staff report..

LIST OF SUPPORTING DOCUMENTS: ZC-26-02 Ordinance 2026-12, Ordinance 2026-12 Exhibit A, ZC-26-02 staff report-updated for postponement, ZC2602 case map, ZC2602 aerial, ZC2602 zoning, ZC2602 flu thoroughfares, ZC-26-02 Application, Lockhart EDC - Resolution 2026-06

ORDINANCE 2026-12

AN ORDINANCE OF THE CITY OF LOCKHART, TEXAS, AMENDING THE OFFICIAL ZONING MAP OF THE CITY OF LOCKHART, TEXAS, TO RECLASSIFY THE PROPERTY KNOWN AS LOCKHART INDUSTRIAL PARK II, BLOCK 1, LOT 4B, RE-SUBDIVISION 2, LOCATED AT 221 EAST MLK JR. INDUSTRIAL BLVD., FROM IL INDUSTRIAL LIGHT DISTRICT TO CHB COMMERCIAL HEAVY BUSINESS DISTRICT.

WHEREAS, on February 25, 2026, the Planning and Zoning Commission held a public hearing and voted to recommend approval of a zoning change to CHB Commercial Heavy Business District; and,

WHEREAS, the City Council desires to amend the zoning map as provided in Section 64-128 of the Code of Ordinances; and,

WHEREAS, a public hearing was held in conformance with applicable law;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, THAT:

I. The foregoing recitals are approved and adopted herein for all purposes.

II. The above-referenced property described in Zoning Change request ZC-26-02, known as Lockhart Industrial Park II, Block 1, Lot 4B, Resubdivision 2, and more particularly described in Exhibit A and located at 221 East MLK Jr. Industrial Blvd, will be reclassified from IL Industrial Light District to CHB Commercial Heavy Business District.

III. Severability: If any provision, section, clause, sentence, or phrase of this ordinance is for any reason held to be unconstitutional, void, invalid, or unenforced, the validity of the remainder of this ordinance or its application shall not be affected, it being the intent of the City Council in adopting and of the Mayor in approving this ordinance that no portion, provision, or regulation contained herein shall become inoperative or fail by way of reasons of any unconstitutionality or invalidity of any other portion, provision or regulation.

IV. Repealer: That all other ordinances, sections, or parts of ordinances heretofore adopted by the City of Lockhart in conflict with the provisions set out above in this ordinance are hereby repealed or amended as indicated.

V. Publication: That the City Secretary is directed to cause this ordinance caption to be published in a newspaper of general circulation according to law.

VI. Effective Date: That this ordinance shall become effective and be in full force immediately upon and from the date of its passage.

PASSED, APPROVED, AND ADOPTED AT A REGULAR MEETING OF THE LOCKHART CITY COUNCIL ON THIS THE 21ST DAY OF APRIL, 2026.

CITY OF LOCKHART

_____

Lew White, Mayor

ATTEST:

_____

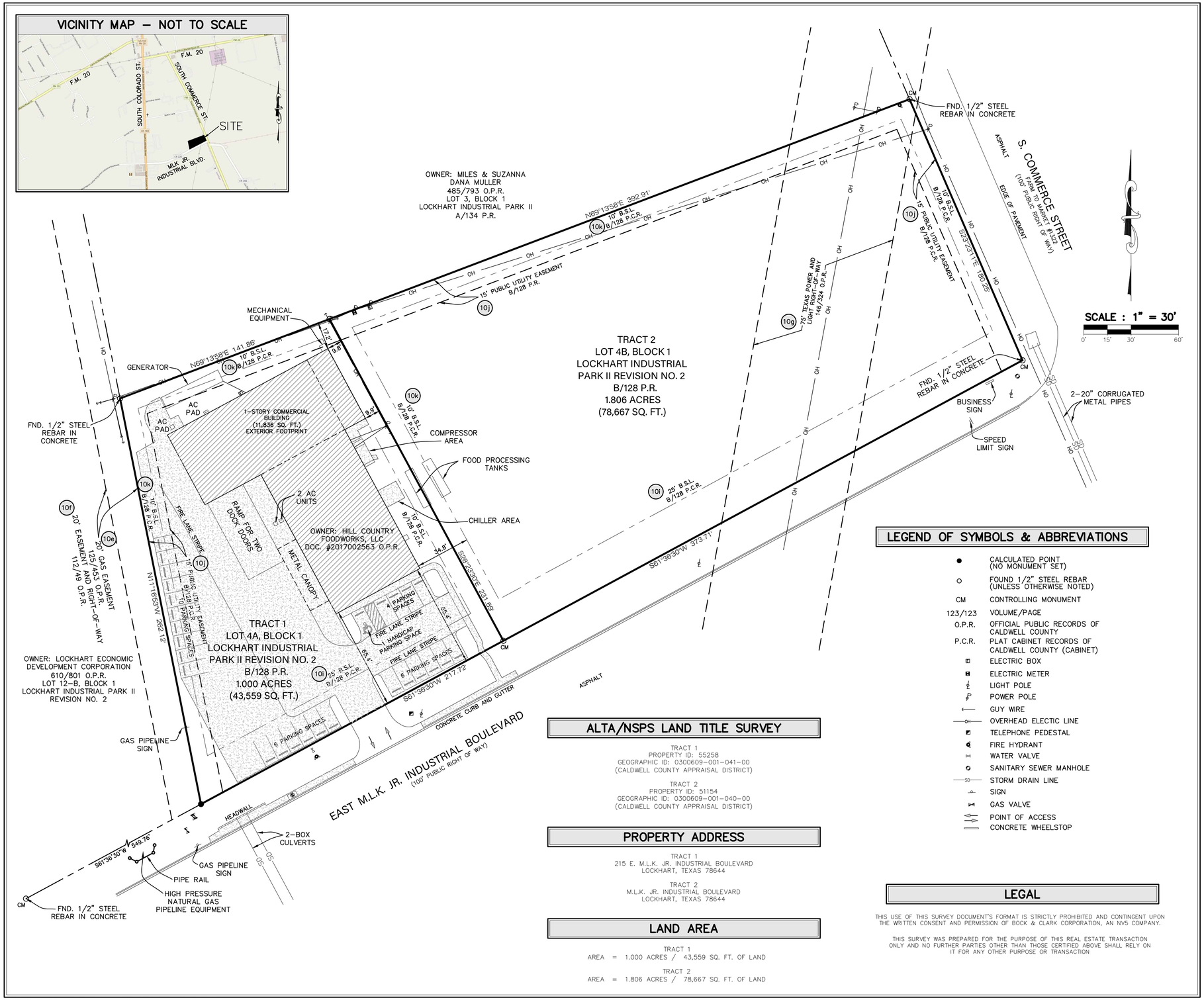
Julie Bowermon, City Secretary

APPROVED AS TO FORM:

_____

Brad Bullock, City Attorney

EXHIBIT "A"



ALTA/NSPS LAND TITLE SURVEY

TRACT 1
PROPERTY ID: 55258
GEOGRAPHIC ID: 0300609-001-041-00
(CALDWELL COUNTY APPRAISAL DISTRICT)

TRACT 2
PROPERTY ID: 51154
GEOGRAPHIC ID: 0300609-001-040-00
(CALDWELL COUNTY APPRAISAL DISTRICT)

PROPERTY ADDRESS

TRACT 1
215 E. M.L.K. JR. INDUSTRIAL BOULEVARD
LOCKHART, TEXAS 78644

TRACT 2
M.L.K. JR. INDUSTRIAL BOULEVARD
LOCKHART, TEXAS 78644

LAND AREA

TRACT 1
AREA = 1.000 ACRES / 43,559 SQ. FT. OF LAND

TRACT 2
AREA = 1.806 ACRES / 78,667 SQ. FT. OF LAND

LEGEND OF SYMBOLS & ABBREVIATIONS

●	CALCULATED POINT (NO MONUMENT SET)
○	FOUND 1/2" STEEL REBAR (UNLESS OTHERWISE NOTED)
CM	CONTROLLING MONUMENT
123/123	VOLUME/PAGE
O.P.R.	OFFICIAL PUBLIC RECORDS OF CALDWELL COUNTY
P.C.R.	PLAT CABINET RECORDS OF CALDWELL COUNTY (CABINET)
	ELECTRIC BOX
	ELECTRIC METER
	LIGHT POLE
	POWER POLE
	GUY WIRE
OH	OVERHEAD ELECTIC LINE
	TELEPHONE PEDESTAL
	FIRE HYDRANT
	WATER VALVE
	SANITARY SEWER MANHOLE
SD	STORM DRAIN LINE
	SIGN
	GAS VALVE
	POINT OF ACCESS
	CONCRETE WHEELSTOP

LEGAL

THIS USE OF THIS SURVEY DOCUMENT'S FORMAT IS STRICTLY PROHIBITED AND CONTINGENT UPON THE WRITTEN CONSENT AND PERMISSION OF BOCK & CLARK CORPORATION, AN NV5 COMPANY.

THIS SURVEY WAS PREPARED FOR THE PURPOSE OF THIS REAL ESTATE TRANSACTION ONLY AND NO FURTHER PARTIES OTHER THAN THOSE CERTIFIED ABOVE SHALL RELY ON IT FOR ANY OTHER PURPOSE OR TRANSACTION

RECORD DESCRIPTION

THE LANDS SURVEYED, SHOWN AND DESCRIBED HEREON ARE THE SAME LANDS AS DESCRIBED IN THE TITLE COMMITMENT PROVIDED BY CHICAGO TITLE INSURANCE COMPANY, COMMITMENT GF NO. AUT-60-661-AUT21015044D, Dated September 26, 2021. and all easements covenants and restrictions referenced in said title commitment or apparent from a physical inspection of the site, or otherwise known have been plotted hereon or otherwise noted as to their effect on the subject property."

TRACT 1

THE PROPERTY DESCRIBED HEREON IS THE SAME PROPERTY AS DESCRIBED IN THE CONVEYANCE TO HILL COUNTRY FOODWORKS, LLC BY SPECIAL WARRANTY DEED RECORDED IN DOCUMENT NO. 2017002563, OF THE OFFICIAL RECORDS OF CALDWELL COUNTY, TEXAS.

TRACT 2

THE PROPERTY DESCRIBED HEREON IS THE SAME PROPERTY AS DESCRIBED IN THE CONVEYANCE TO HILL COUNTRY FOODWORKS, LLC BY SPECIAL WARRANTY DEED RECORDED IN DOCUMENT NO. 2018004844, OF THE OFFICIAL RECORDS OF CALDWELL COUNTY, TEXAS.

ITEMS CORRESPONDING TO SCHEDULE B

10e RIGHT(S) OF WAY, AS PROVIDED THEREIN, RECORDED IN VOLUME 125, PAGE 453, DEED RECORDS, CALDWELL COUNTY, TEXAS, AND AS SHOWN ON PLAT RECORDED IN CABINET B, SLIDE 71, PLAT RECORDS OF CALDWELL COUNTY, TEXAS. (APPLIES TO SUBJECT PROPERTY AND SHOWN HEREON)

10f RIGHT(S) OF WAY, AS PROVIDED THEREIN, RECORDED IN VOLUME 112, PAGE 49, DEED RECORDS, CALDWELL COUNTY, TEXAS, AND AS SHOWN ON PLAT RECORDED IN CABINET B, SLIDE 128, PLAT RECORDS OF CALDWELL COUNTY, TEXAS. (APPLIES TO SUBJECT PROPERTY AND SHOWN HEREON)

10g RIGHT(S) OF WAY, AS PROVIDED THEREIN, RECORDED IN VOLUME 146, PAGE 324, DEED RECORDS, CALDWELL COUNTY, TEXAS, AND AS SHOWN ON PLAT RECORDED IN CABINET B, SLIDE 128, PLAT RECORDS OF CALDWELL COUNTY, TEXAS. (APPLIES TO LOT 4B ONLY AND SHOWN HEREON)

10h EASEMENT(S), AS PROVIDED THEREIN, GRANTED IN VOLUME 379, PAGE 596, OFFICIAL PUBLIC RECORDS, CALDWELL COUNTY, TEXAS. (DOES NOT APPLY TO SUBJECT PROPERTY)

10i 25 FOOT BUILDING SETBACK LINE(S) AS SHOWN ON PLAT RECORDED IN CABINET B, SLIDE 128, PLAT RECORDS, CALDWELL COUNTY, TEXAS. (APPLIES TO SUBJECT PROPERTY AND SHOWN HEREON)

10j 15 FOOT PUBLIC UTILITY EASEMENT(S) AS SHOWN ON PLAT RECORDED IN CABINET B, SLIDE 128, PLAT RECORDS, CALDWELL COUNTY, TEXAS. (APPLIES TO SUBJECT PROPERTY AND SHOWN HEREON)

10k 10 FOOT BUILDING SETBACK LINE(S) AS SHOWN ON SURVEY ATTACHED TO SPECIAL WARRANTY DEED RECORDED AT DOCUMENT NO. 2018-004844, OFFICIAL PUBLIC RECORDS, CALDWELL COUNTY, TEXAS. (APPLIES TO LOT 4B ONLY AND SHOWN HEREON)

SURVEY PREPARED BY:

DYE ENTERPRISES
ENGINEERS • SURVEYORS • PLANNERS
TBPE, FIRM REGISTRATION #F-2257
TBPLS, FIRM REGISTRATION #10087900
4047 STAHL ROAD, SUITE #3
SAN ANTONIO, TEXAS 78217
TEL. (210) 599-4123
FAX (210) 599-4191

ALTA/NSPS LAND TITLE SURVEY

215 E. MLK Jr Industrial Blvd
NV5 PROJECT NO. 2021106281, 001
215 E. MLK Jr Industrial Blvd, Lockhart, Tx 78644

based upon Title Commitment No. AUT21015044
of Chicago Title Insurance Company
bearing an effective date of September 26, 2021 at 8:00 AM

Surveyor's Certification

To: CSW Lockhart, LP; Chicago Title Insurance Company; and Bock & Clark Corporation, an NV5 Company.

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items 1(except those States exempt), 2, 3, 4, 6a, 6b, 7a, 7b1, 7c, 8, 9, 10, 13, 14, 16, 17, and 19 of Table A thereof. The field work was completed on OCTOBER 28, 2021.

PRELIMINARY, THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT"

D. SCOTT DYE
REGISTRATION NO.5315
IN THE STATE OF TEXAS
DATE OF SURVEY: OCTOBER 28, 2021
DATE OF LAST REVISION: N/A
NETWORK PROJECT NO. 202106281-001 CMP

SHEET 1 OF 2

Bock & Clark Corporation
an NV5 Company

Transaction Services **1-800-SURVEYS (787-8397)**
3550 W. Market Street, Suite 200, Akron, Ohio 44333
www.BockandClark.com **maywehelpyou@bockandclark.com** **www.NV5.com**

SURVEY • ZONING • ENVIRONMENTAL • ASSESSMENT

Z:\2021\210094-00 MLK Jr Industrial Blvd E 215 (ALTA)\dwg\210094-00 MLK Jr Industrial Blvd E 215 (ALTA).dwg

MISCELLANEOUS NOTES

(MN1) BEARINGS FOR THIS SURVEY ARE BASED ON THE RESUBDIVISION PLAT OF LOT 4, BLOCK 1, AND LOTS 6, 7, AND 15, BLOCK 2, LOCKHART INDUSTRIAL PARK II REVISION NO. 2.

(MN2) SOME FEATURES SHOWN ON THIS PLAT MAY BE SHOWN OUT OF SCALE FOR CLARITY.

(MN3) DIMENSIONS ON THIS PLAT ARE EXPRESSED IN FEET AND DECIMAL PARTS THEREOF UNLESS OTHERWISE NOTED. BEARINGS ARE REFERRED TO ON ASSUMED MERIDIAN AND ARE USED TO DENOTE ANGLES ONLY. MONUMENTS WERE FOUND AT POINTS WHERE INDICATED.

(MN4) TRACT 1 HAS DIRECT PHYSICAL ACCESS TO EAST M.L.K. JR. INDUSTRIAL BOULEVARD, A DEDICATED PUBLIC STREET. TRACT 2 HAS NO DIRECT PHYSICAL ACCESS VIA DRIVE WAYS TO EAST M.L.K. JR. INDUSTRIAL BOULEVARD AND S. COMMERCE STREET (F.M. 1322), DEDICATED PUBLIC STREETS.

(MN5) AT THE TIME OF THE ALTA/NSPS SURVEY THERE WAS NO DESIGNATION PF THE RELATIONSHIP AND LOCATION OF CERTAIN DIVISION OR PARTY WALLS WITH RESPECT TO ADJOINING PROPERTIES.

(MN6) AT THE TIME OF THE ALTA SURVEY THERE WAS NO OBSERVABLE EVIDENCE OF EARTH MOVING WORK, BUILDING CONSTRUCTION OR BUILDING ADDITIONS WITHIN RECENT MONTHS.

(MN7) AT THE TIME OF THE ALTA/NSPS SURVEY THERE WERE NO CHANGES IN STREET RIGHT-OF- WAY LINES EITHER COMPLETED OR PROPOSED, AND AVAILABLE FROM THE CONTROLLING JURISDICTION OR OBSERVABLE EVIDENCE OF RECENT STREET OR SIDEWALK CONSTRUCTION REPAIRS.

(MN8) AT THE TIME OF THE ALTA/NSPS SURVEY THERE WAS NO OBSERVABLE EVIDENCE OF SUBSTANTIAL REFUSE.

(MN9) THE SURVEYOR WAS NOT PROVIDED ANY DOCUMENTATION, WAS NOT MADE AWARE AND DID NOT OBSERVE ANY GROUND MARKINGS ON THE SUBJECT PROPERTY WITH REGARDS TO WETLANDS ON THE SURVEYED PROPERTY.

(MN10) AT THE TIME OF THE ALTA/NSPS SURVEY THERE WERE NO EVIDENCE OF A CEMETERY OR BURIAL GROUNDS.

ZONING INFORMATION

THE SURVEYOR WAS NOT PROVIDED WITH A ZONING REPORT OR LETTER PURSUANT TO TABLE A ITEM 6(A).

UTILITY NOTE

LOCATION OF UTILITIES EXISTING ON OR SERVING THE SURVEYED PROPERTY WERE DETERMINED BY OBSERVED EVIDENCE ONLY. THERE ARE NO ABOVE GROUND UTILITIES TO THE BEST OF OUR KNOWLEDGE, UNLESS OTHERWISE NOTED ON THE SURVEY.

STATEMENT OF ENCROACHMENTS

TRACT 1
THE BUILDING ENCROACHES 0.1' AND 0.2' INSIDE THE 10' BUILDING SETBACK LINE ALONG THE EAST PROPERTY LINE.

FLOOD NOTE

BY GRAPHIC PLOTTING ONLY, THIS PROPERTY IS LOCATED IN ZONE "X" OF THE FLOOD INSURANCE RATE MAP, COMMUNITY PANEL NO. 48055C0235E, WHICH BEARS AN EFFECTIVE DATE OF JUNE 19, 2012 AND IS NOT IN A SPECIAL FLOOD HAZARD AREA.

SIGNIFICANT OBSERVATIONS

NONE OBSERVED AT TIME OF SURVEY.

PARKING TABULATION

EXISTING PARKING TABULATION
REGULAR PARKING SPACES = 26
HANDICAP PARKING SPACES = 1
TOTAL PARKING SPACES = 27

PROJECT REVISION RECORD

DATE	DESCRIPTION	DATE	DESCRIPTION	DATE	DESCRIPTION
07/27/21	FIRST DRAFT				

FIELD WORK:10/28/21 | DRAFTED: J.R.C. | CHECKED BY: D.S.D

SURVEY PREPARED BY:

DYE ENTERPRISES
ENGINEERS • SURVEYORS • PLANNERS
TBPE, FIRM REGISTRATION #F-2257
TBPLS, FIRM REGISTRATION #10087900
4047 STAHL ROAD, SUITE #3
SAN ANTONIO, TEXAS 78217
TEL. (210) 599-4123
FAX (210) 599-4191

NV5

ALTA/NSPS LAND TITLE SURVEY

PREPARED FOR

NV5 Project No. 202106281, 001

DATE OF FIELD SURVEY: SEPTEMBER 28, 2021
NETWORK PROJECT NUMBER: 202106281, 001

1-(800)-SURVEYS (787-8397)

TRANSACTION SERVICES

www.bockandclark.com maywehelpyou@bockandclark.com www.NV5.com

SURVEY • ZONING • ENVIRONMENTAL • ASSESSMENT

Z:\2021\210094-00 MLK Jr Industrial Blvd E 215 (ALTA)\dwg\210094-00 MLK Jr Industrial Blvd E 215 (ALTA).dwg

PLANNING DEPARTMENT REPORT ZONING CHANGE

CASE SUMMARY

STAFF: Fatema Akter, Planner CASE NUMBER: ZC-26-02
REPORT DATE: April 9, 2026
PLANNING AND ZONING COMMISSION HEARING DATE: February 25, 2026
CITY COUNCIL HEARING DATE: April 21, 2026 *(Rescheduled from March 17, 2026)*
REQUESTED CHANGE: IL to CHB
STAFF RECOMMENDATION: ***Approval, or recommendation of alternate classification***
PLANNING AND ZONING COMMISSION RECOMMENDATION: ***Approval***

BACKGROUND DATA

APPLICANT: Anthony Goode
OWNER: CSW LOCKHART LP
SITE LOCATION: 221 East MLK Jr. Indutrial Blvd
LEGAL DESCRIPTION: Lockhart Industrial Park II, Block 1, Lot 4B, Re-subdivision 2
SIZE OF PROPERTY: 1.806 acres
EXISTING USE OF PROPERTY: Vacant land
LAND USE PLAN DESIGNATION: Local Corridor

ANALYSIS OF ISSUES

REASON FOR REQUESTED ZONING CHANGE:

The purpose of the zoning change is to allow commercial development on the 1.806-acre property located at the northwest corner of East Martin Luther King Industrial Boulevard and South Commerce Street (FM 1322). The proposed rezoning is requested to permit retail uses that are not allowed under the site's current Industrial Light (IL) zoning classification. The site consists of vacant land containing one (1) food processing tank and a second partial food processing tank, both of which appear to be associated with the adjoining property. No portion of the subject property is located within a designated floodplain according to the FEMA Flood Map.

AREA CHARACTERISTICS:

Surroundings of the property	Existing Use	Zoning	Future Land Use Plan (Adopted in Comprehensive plan 2024)
North	Vacant Land	IL	*Local Corridor*
East	Vacant Land	CMB	*Local Corridor*
South	Vacant land	CHB, IL	*Local Corridor*
West	Industrial	IL	*Local Corridor*

[*] *Local Corridor: Primarily commercial and entertainment uses providing access to goods and services along major vehicular thoroughfares. Can be regional or local in scale. Regional Corridors serve regional retail such as big box stores while Local Corridors focus on neighborhood scale and serving businesses (Source: Comprehensive plan 2024).*

TRANSITION OF ZONING DISTRICTS:

The subject property is located along portions of the East MLK and South Commerce corridors, where zoning is predominantly Industrial on the northwest and southwest sides of the site, with Commercial zoning on nearby properties on the other sides. The area south of the site across MLK Industrial Boulevard was rezoned to Commercial Heavy Business (CHB) in 2024; however, these properties have not yet developed. The primary intent of this rezoning was to permit higher-intensity retail uses, including gas stations, convenience stores, and general retail establishments.

ADEQUACY OF INFRASTRUCTURE:

Vehicular access will be from both East MLK and South Commerce Street as discussed. There are traffic intersection improvements planned at the intersection that are related to upcoming residential and mixed-use developments near that area. A 12-inch public water line is located along South Commerce Street, with a portion extending along East MLK Street. A 12-inch wastewater line is also present along East MLK Industrial Boulevard and is adequate to serve the subject property.

POTENTIAL NEIGHBORHOOD IMPACT:

The subject property is in an area near potential upcoming residential and mixed-use developments approximately 1.1 miles south of the site, known as Seawillow Ranch or Moxie. An existing residential development, Summerside, is also located nearby. In addition, a proposed single-family residential and commercial development east of FM 1322 was rezoned to multiple districts in 2024 but has never produced subdivision applications. This upcoming development could benefit from the proposed retail use. However, as noted earlier, the immediately adjacent southern property, which was rezoned for similar commercial uses, may also have future impacts if developed. As the proposed use includes a convenience store with gas canopy, it may increase traffic on nearby streets, and TxDOT may require a traffic-related review or study. One significant impact of the proposed rezoning is the reduction of industrially-zoned land in Lockhart Industrial Park II. The City's Economic Development Corporation has expressed concern regarding loss of industrially zoned land in Industrial Park II and has written letter of opposition for the City Council meeting.

CONSISTENCY WITH COMPREHENSIVE PLAN:

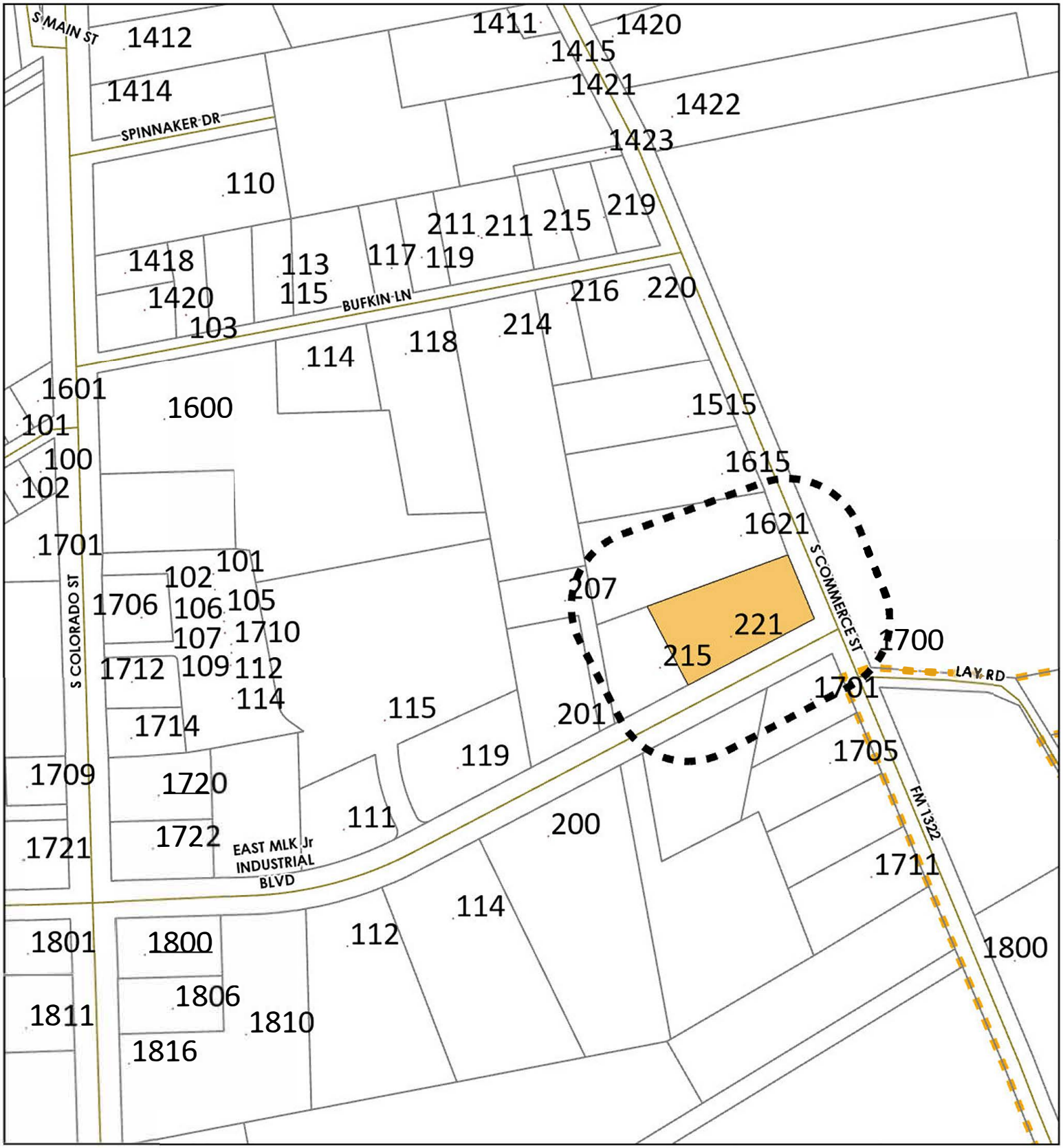
The proposed Commercial Heavy Business (CHB) zoning classification is consistent with the 'Local Corridor' designation shown on the Future Land Use Map. The Local Corridor Land uses category visions commercial and entertainment use that provide access to goods and services along major vehicular thoroughfares. Additionally, the adopted 2024 Lockhart Comprehensive Plan, *Looking Forward*, identifies retail uses as appropriate within the Seawillow District, in which the subject property is located.

ALTERNATIVE CLASSIFICATIONS:

Leaving the property in its current Industrial Light (IL) zoning.

RESPONSE TO NOTIFICATION: One neighboring property owner spoke in opposition to the zoning change ant the Planning and Zoning Commission meeting. The Lockhart EDC has also expressed opposition.

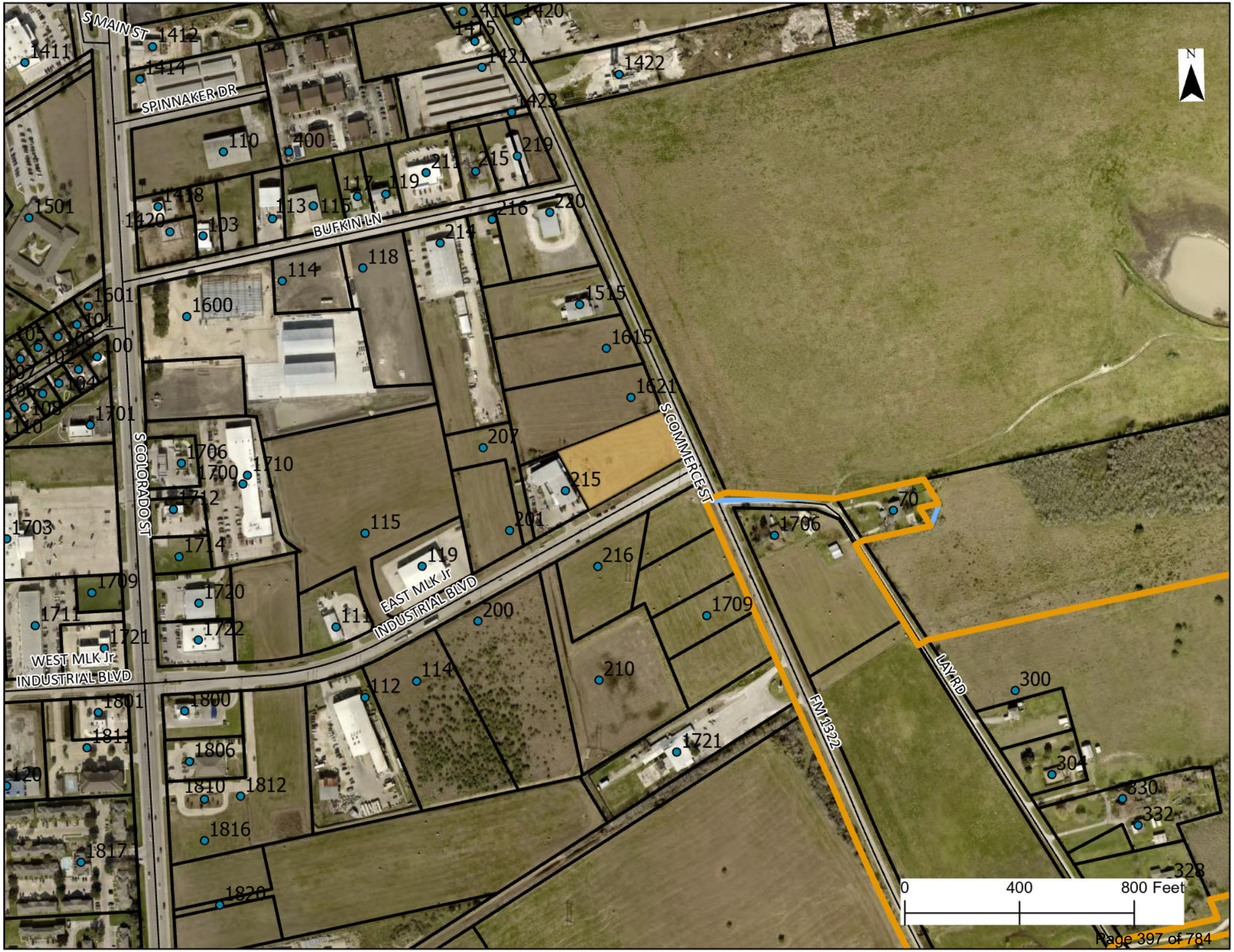
STAFF RECOMMENDATION: Approval of request as submitted, or approval of alternate classification.

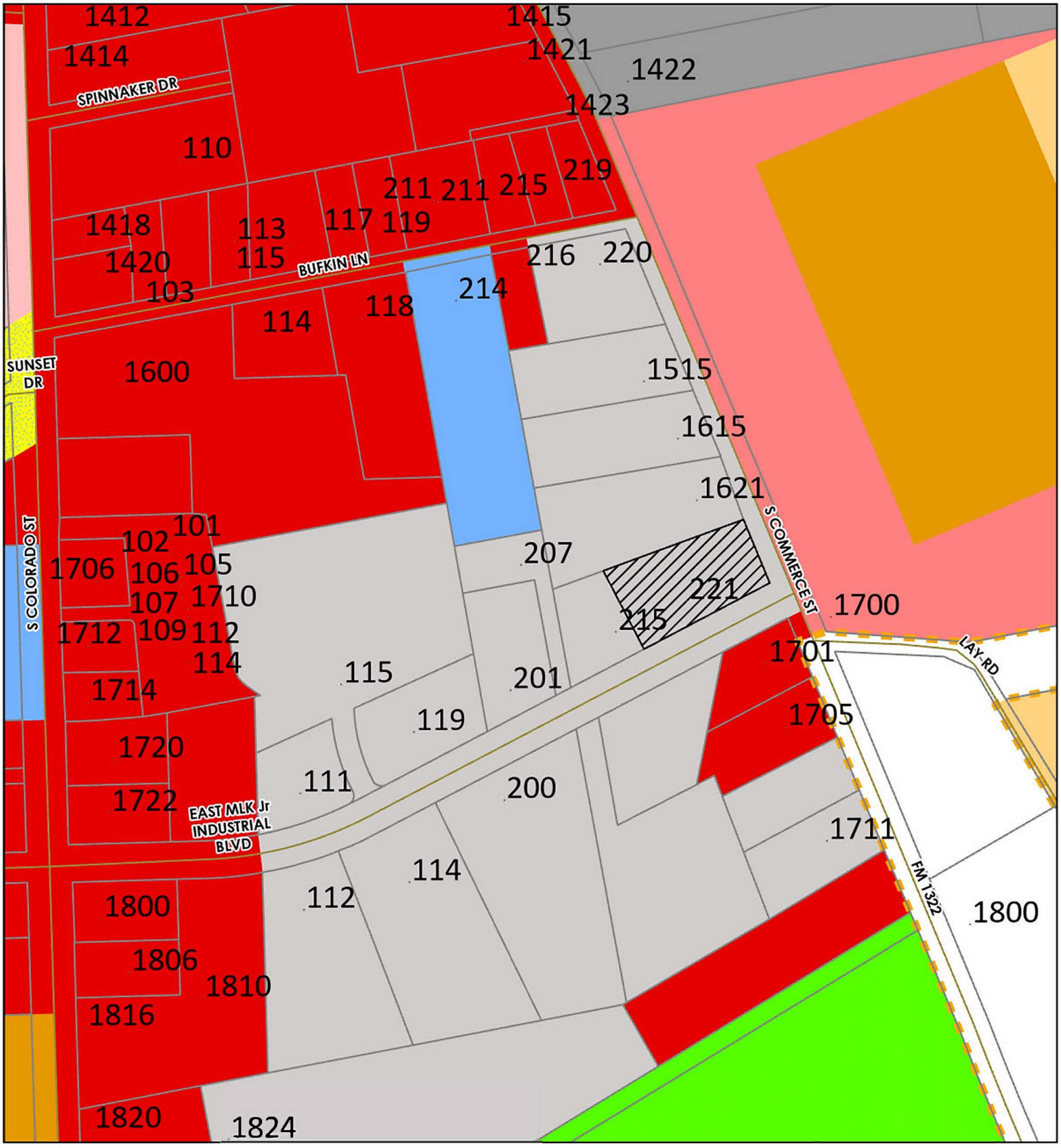


ZC-26-02

IL TO CHB

221 E MLK JR INDUSTRIAL BLVD


S MAIN ST
SPINNAKER DR
BUFKIN LN
S COLORADO ST
S COMMERCE ST
EAST MLK Jr INDUSTRIAL BLVD
WEST MLK Jr INDUSTRIAL BLVD
FM 1322
LAY RD
N
0
400
800 Feet



ZC-26-02

IL TO CHB

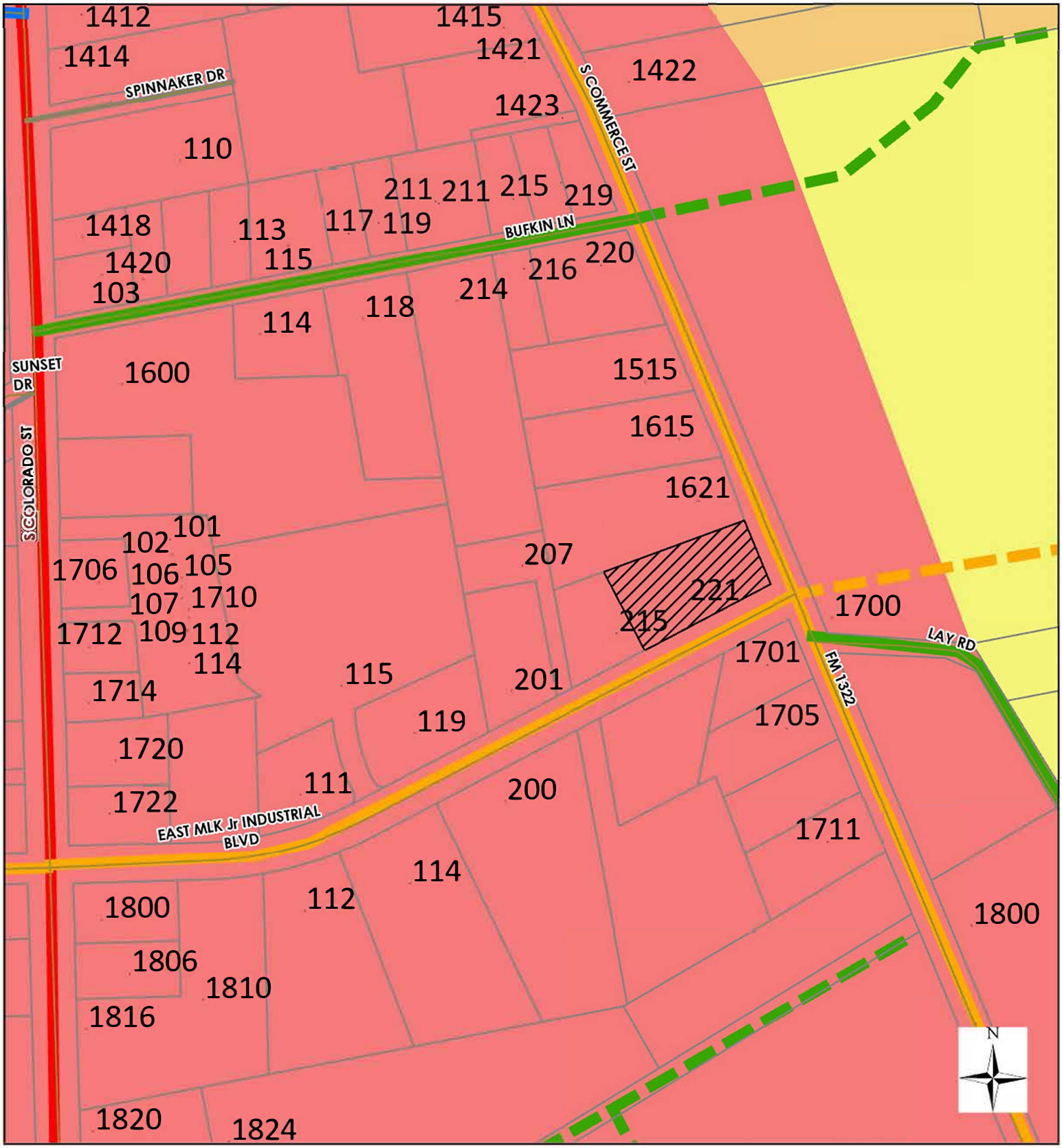
221 E MLK JR INDUSTRIAL BLVD

N

ZONING

AO	IL
CHB	PI
CLB	RHD
CMB	RLD
IH	RMD

Scale 1" = 400'



FUTURE LANDUSE & THOROUGHFARES

IL TO CHB

221 E MLK JR INDUSTRIAL BLVD

Future Land Use

- Low Density Residential
- Mid-Density Infill
- Mixed Use - Regional
- Mixed Use - Local
- Regional Corridor
- Local Corridor
- Employment
- Industrial
- Unplanned Area

Thoroughfares

- Major Arterial
- Minor Arterial
- Collector
- Urban Downtown Local
- Mixed-use Street
- Local
- Proposed Major arterial
- Proposed Minor arterial
- Proposed Collector
- Proposed Urban Downtown Local
- Proposed Mixed-use Street
- Proposed Local

Scale 1" = 400'

CITY OF
Lockhart
TEXAS

ZONING CHANGE APPLICATION

(512) 398-3461 • FAX (512) 398-3833
P.O. Box 239 • Lockhart, Texas 78644
308 West San Antonio Street

APPLICANT/OWNER

APPLICANT NAME Anthony Goode
DAY-TIME TELEPHONE 972.822.1682
E-MAIL anthony@goodefaitheng.com

ADDRESS 1620 LA JAITA DR
STE 300
CEDAR PARK, TX 78613

OWNER NAME CSW LOCKHART LP
DAY-TIME TELEPHONE 512-861-3550
E-MAIL khunter@cswdevelopment.com

ADDRESS 1703 W 5TH ST
STE 850
AUSTIN, TX 78703

PROPERTY

221 E. MLK Jr Industrial Blvd

ADDRESS OR GENERAL LOCATION NW corner of S Commerce St and E MLK Jr. Industrial Blvd, Lockhart TX 78644

LEGAL DESCRIPTION (IF PLATTED) LOCKHART INDUSTRIAL PARK II, BLOCK 1, LOT 4B, RESUB 2, ACRES 1.806

SIZE 1.806 ACRE(S) LAND USE PLAN DESIGNATION Agricultural / Open Space

EXISTING USE OF LAND AND/OR BUILDING(S) Vacant Land

PROPOSED NEW USE, IF ANY Convenience Store with gas canopy

REQUESTED CHANGE

FROM CURRENT ZONING CLASSIFICATION IL - Industrial Light

TO PROPOSED ZONING CLASSIFICATION CHB - Commercial Heavy Business

REASON FOR REQUEST The applicant seeks to develop the property for a use not allowed in the Industrial Light zoning district. The CHB zoning designation better suits the applicants proposed use.

SUBMITTAL REQUIREMENTS

IF THE APPLICANT IS NOT THE OWNER, A LETTER SIGNED AND DATED BY THE OWNER CERTIFYING THEIR OWNERSHIP OF THE PROPERTY AND AUTHORIZING THE APPLICANT TO REPRESENT THE PERSON, ORGANIZATION, OR BUSINESS THAT OWNS THE PROPERTY.

NAME(S) AND ADDRESS(ES) OF PROPERTY LIEN-HOLDER(S), IF ANY.

IF NOT PLATTED, A METES AND BOUNDS LEGAL DESCRIPTION OF THE PROPERTY.

APPLICATION FEE OF $250, PLUS $150 PER ACRE, MAXIMUM OF $10,000, PLUS ADDITIONAL $1,000 FOR PLANNED DEVELOPMENT DISTRICT.

APPLICATION FEE OF $ 520.90 **PAYABLE TO THE CITY OF LOCKHART.**

TO THE BEST OF MY KNOWLEDGE, THIS APPLICATION AND ASSOCIATED DOCUMENTS ARE COMPLETE AND CORRECT, AND IT IS UNDERSTOOD THAT I OR ANOTHER REPRESENTATIVE SHOULD BE PRESENT AT ALL PUBLIC MEETINGS CONCERNING THIS APPLICATION.

SIGNATURE _____ DATE 01/15/2026

OFFICE USE ONLY

ACCEPTED BY Fatema Akter RECEIPT NUMBER R0149 33382

DATE SUBMITTED 02/03/2026 CASE NUMBER ZC - 26 - 02

DATE NOTICES MAILED 02/05/26 DATE NOTICE PUBLISHED 02/6/26

PLANNING AND ZONING COMMISSION MEETING DATE 02/25/2026

PLANNING AND ZONING COMMISSION RECOMMENDATION Approval

CITY COUNCIL MEETING DATE 03/17/2026

DECISION _____

RESOLUTION NO. 2026-06

A RESOLUTION OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION RECOMMENDING DENIAL OF THE APPLICATION REQUESTING TO REZONE PROPERTY LOCATED AT 221 E MLK INDUSTRIAL BLVD; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, an application was submitted to the City of Lockhart Planning and Zoning Commission (the "P&Z Commission") to rezone property located at 221 E MLK Industrial Blvd from Light Industrial to Commercial Heavy Business district; and

WHEREAS, the P&Z Commission considered the request on February 25, 2026, and voted to recommend approval of the proposed rezoning; and

WHEREAS, the Lockhart Economic Development Corporation (the "LEDC") has reviewed the application for rezoning, recommendation of the P&Z Commission, and public testimony presented at duly posted meetings; and

WHEREAS, the LEDC finds that the proposed rezoning is not consistent with the goals and policies of the 2023 LEDC Targeted Business Strategy Refresh and 2024 City of Lockhart Comprehensive Plan and is not in the best interest of the business and industrial community; and

WHEREAS, the LEDC determines that maintaining the existing zoning classification better supports the long-term vision and orderly development of the City; and

WHEREAS, the LEDC recommends that the City Council of the City Lockhart deny the rezoning request

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION THAT:

Section 1. The LEDC recommends denial of the rezoning of property located at 221 E MLK, Lockhart TX from Light Industrial to Commercial Heavy Business.

Section 2. This Resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this 9th day of March 2026, by the Board of Directors of the Lockhart Economic Development Corporation.

LOCKHART ECONOMIC DEVELOPMENT CORPORATION

Chairman

Attest:

Holly Malish, Executive Director

Approved as to form:

Board Attorney

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: April 21, 2026

AGENDA ITEM CAPTION: Accept the City of Lockhart and the Lockhart Economic Development Corporation's Fiscal Year 2024-25 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 fifth and last year for BrooksWatson & Company, PLLC to perform the City's annual audit.

BrooksWatson & Company, PLLC has issued an **unmodified (clean)** opinion. An unmodified 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 2025 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 six consecutive years. The current Annual Comprehensive Financial Report for FYE 2025 will be submitted to the GFOA to determine eligibility for another certificate.

PROJECT SCHEDULE (if applicable):

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

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

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 2024-2025 Annual Comprehensive Financial Report.

LIST OF SUPPORTING DOCUMENTS: Final Audit 9.30.25

CITY OF LOCKHART, TX

2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2025


Lockhart
TEXAS

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

of the

City of Lockhart, Texas

For the Year Ended
September 30, 2025

Prepared by

Finance Department


Lockhart
TEXAS

City of Lockhart, Texas

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Lockhart
TEXAS

INTRODUCTORY SECTION

Lockhart

March 17, 2026

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, 2025, 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, 2025. 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 18,591, 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 18,591 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 18,591 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 790 teachers, professionals, and support staff.

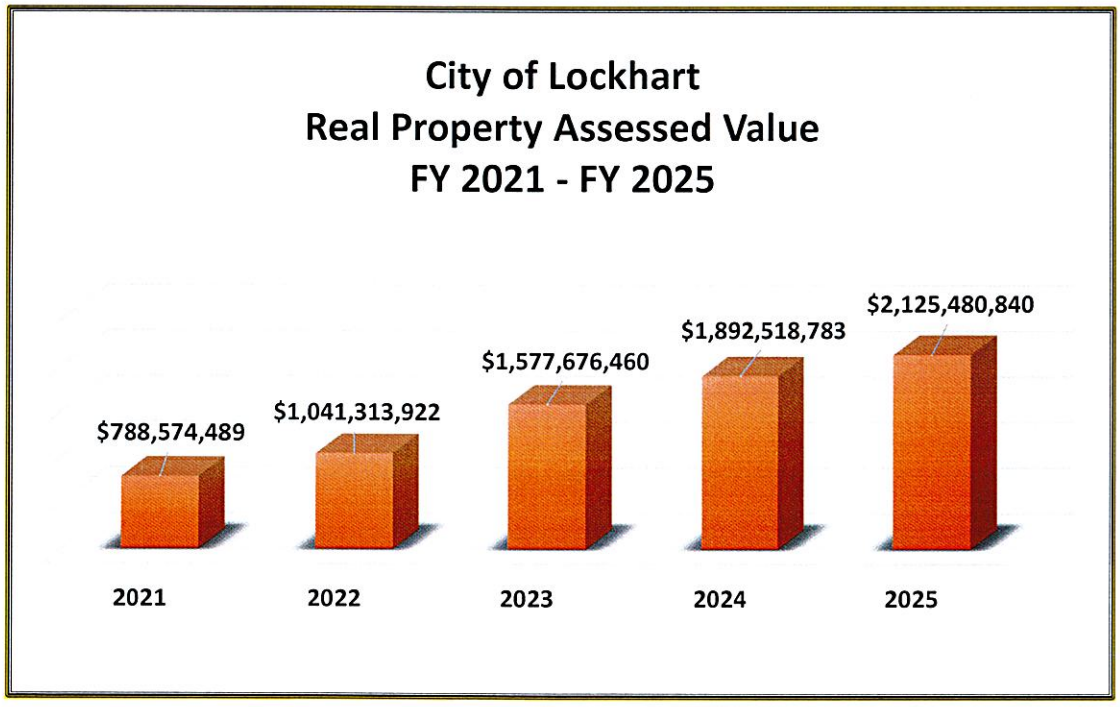
In 2020, the COVID-19 pandemic created an unprecedented situation for the City of Lockhart and for every municipality across the United States, but with it brought the passage of the Coronavirus Aid, Relief and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations 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 to be used for further economic relief from the COVID-19

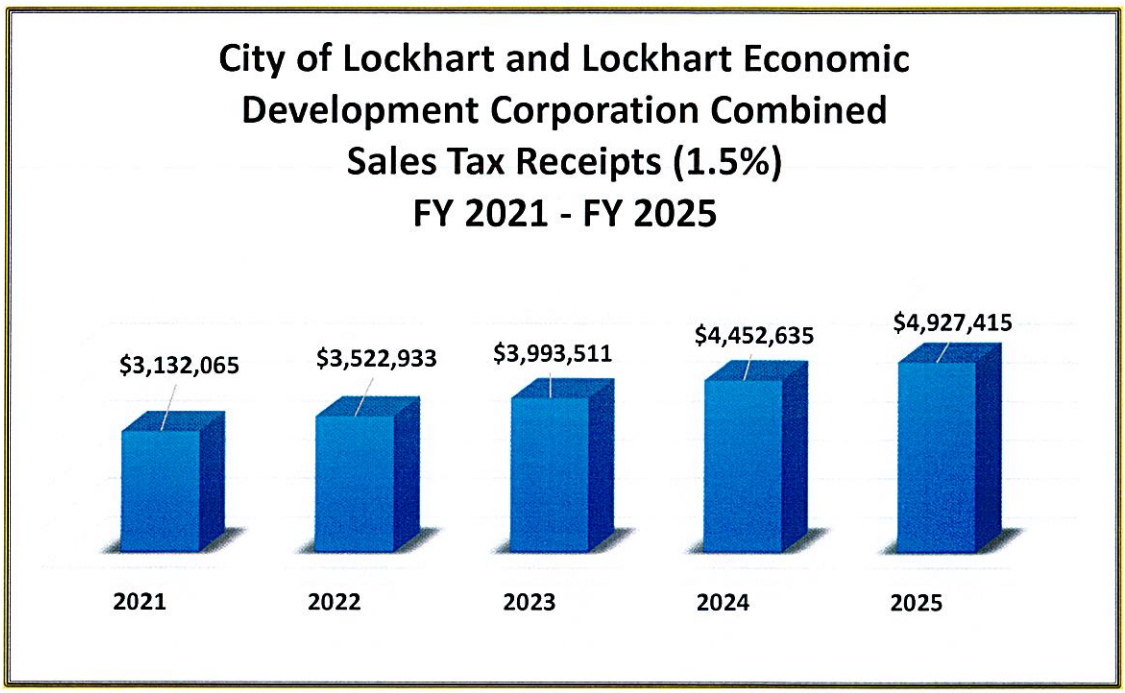
pandemic. The broad eligible uses for ARPA funds include COVID-related expenses (directly or indirectly), premium pay for essential workers, government service programs under certain circumstances, necessary improvements in water, sewer, or broadband infrastructure (whether related or not to COVID-19), 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. The City Council formally obligated the remaining ARPA funds in December 2024 to various projects associated with Animal Services, Library, Fire, Parks & Recreation, Police, and Public Works. The City must expend all remaining funds by December 31, 2026.

Due to the stable economy, the City of Lockhart has a credit rating of AA- from Standard and Poor's as of July 2025. Over the past 10 years, the City has experienced significant economic growth and investment. The City's population is growing at a steady rate, increasing at 29.3% over the last five years. The growth of Austin and San Antonio metro areas is spreading toward Lockhart but at a slower pace than neighboring counties.

The City experienced consistent growth in real property assessment values from Fiscal Year 2021 through 2025 (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 2025 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 the general fund balance at 36% for Fiscal Year 2025. This is above the 25% minimum reserve required by the Fund Balance – Stabilization and Excess of Reserves Policy. The City of Lockhart's maintains a sound financial position due to conservative budgeting practices and internal expenditure controls, 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 consistent 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. The Financial Policy is

also approved by the City Council which provides more comprehensive guidelines and internal accounting controls and procedures. The annual adoption of these policies 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 started construction on the approved historic downtown revitalization project with an anticipated completion date in Fiscal Year 2026. The City issued Certificates of Obligation in the amount of $20,000,000 to fund various capital projects including: design and construction of the new aquatics facility, acquisition and renovation of an indoor recreation center, upgrades to the existing City Hall, land acquisition for a future police and/or fire facilities, and other improvements to existing City parks. In addition, the improvements to wastewater utility lines and street and sidewalk improvements also continued through the fiscal year.

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, 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 (ACFR) for the fiscal year ended September 30, 2024. 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. This is the sixth year in a row which the City has received this award. We ensure that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting the ACFR for fiscal year ended September 30, 2025 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 not have been possible without the skill, effort, and dedication of the administrative staff and the finance department. 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,

Joseph Resendez, City Manager

Keeli Michna, Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lockhart
Texas

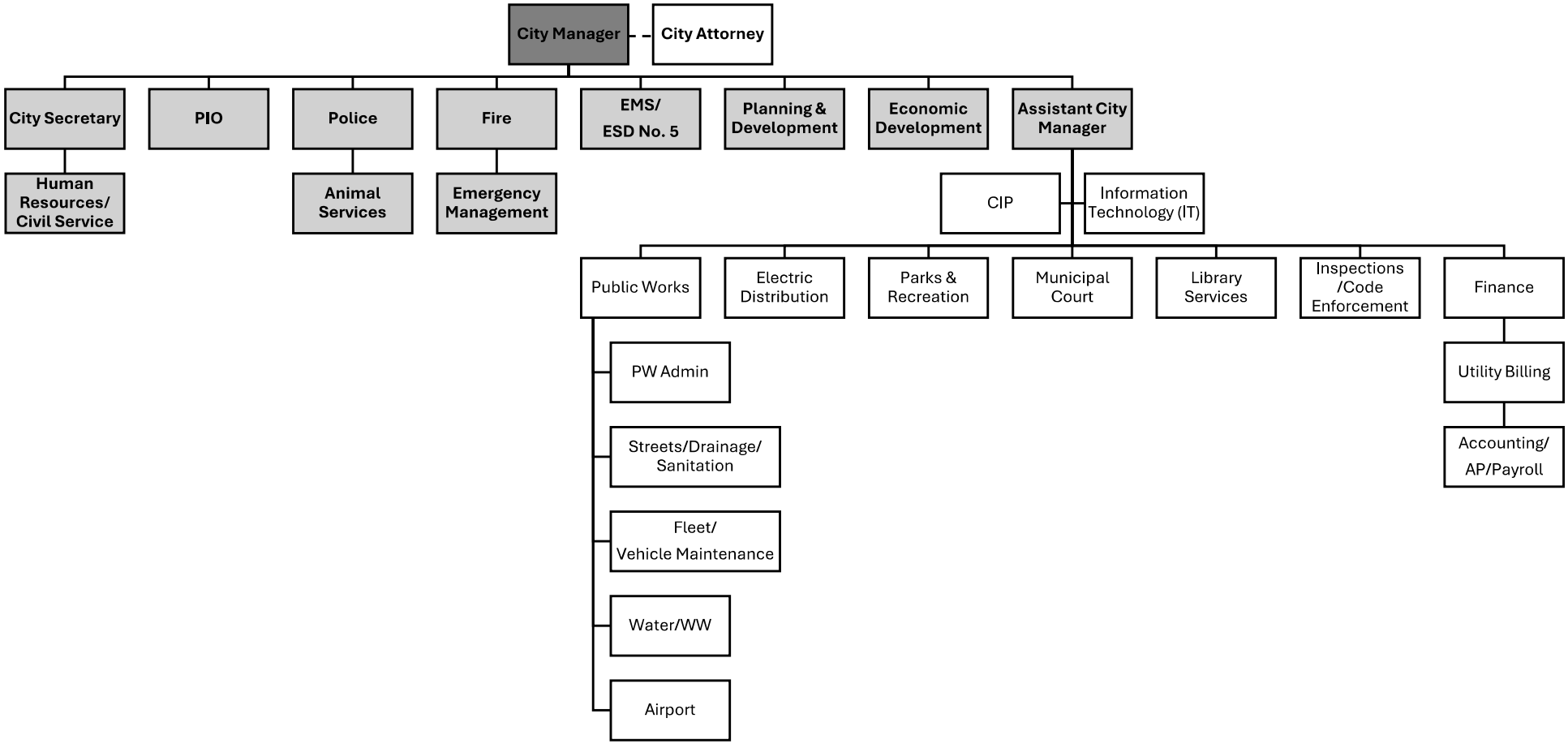
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

City of Lockhart
Organizational Chart



City of Lockhart, Texas

ELECTED AND PRINCIPAL OFFICIALS

September 30, 2025

City Council

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

Principal Officials

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


Lockhart
TEXAS

FINANCIAL SECTION


Lockhart
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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, 2025, and the related notes to the financial statements, 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, 2025, 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). 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, the City restated beginning net position for the business-type activities and EMS fund to correct prior year accounting errors. In addition, the City restated beginning net position for governmental activities due to the implementation of GASB 101-Compensated Absences. Our opinion was not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

BrooksWatson & Co.

BrooksWatson & Co.
Certified Public Accountants
Houston, Texas
March 17, 2026


Lockhart
TEXAS

City of Lockhart, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2025

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, 2025. 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, 2025 by $71,828,755. Of this amount, $9,458,366 (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 $2,231,199. Approximately 61% 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 $37,128,521 at September 30, 2025, an increase of $14,882,821 from the prior fiscal year; this includes a decrease of $5,497,038 in the general fund, an increase of $20,002,853 in the 2025 CO fund, and an increase of $377,006 in the nonmajor governmental funds.

- At the end of the fiscal year, unassigned fund balance for the general fund was $6,843,781 or 30% 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 details to support the basic financial statements themselves.

Government-Wide Statements

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

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

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

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

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate component unit, the Lockhart Economic Development Corporation, of 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.*

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 and 2025 CO fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The City adopts an annual appropriated budget for its general and debt service 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 53-103 of this report.

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Lockhart, Texas, assets and deferred outflows exceeded liabilities and deferred inflows by $71,828,755 as of September 30, 2025, in the primary government.

A portion of the City's net position, $43,972,261 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 $18,398,128 represents resources that are subject to external restrictions on how they may be used. The remaining balance of $9,458,366 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

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

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2025			2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 40,334,455	$ 22,001,344	$ 62,335,799	$ 24,274,785	$ 24,844,338	$ 49,119,123
Capital assets, net	33,616,666	67,247,447	100,864,113	27,585,771	65,094,607	92,680,378
Total Assets	73,951,121	89,248,791	163,199,912	51,860,556	89,938,945	141,799,501
Deferred Outflows of	1,057,019	321,187	1,378,206	1,381,277	641,125	2,022,402
Other liabilities	3,321,743	4,970,268	8,292,011	1,778,647	3,759,228	5,537,875
Long-term liabilities	33,464,554	50,317,728	83,782,282	14,731,018	53,257,447	67,988,465
Total Liabilities	36,786,297	55,287,996	92,074,293	16,509,665	57,016,675	73,526,340
Deferred Inflows of Resources	484,363	190,707	675,070	313,732	216,818	530,550
Net Position:						
Net investment in capital assets	24,274,707	19,697,554	43,972,261	18,662,311	18,379,583	37,041,894
Restricted	8,857,884	9,540,244	18,398,128	7,465,102	8,202,139	15,667,241
Unrestricted	4,604,889	4,853,477	9,458,366	10,291,023	6,764,855	17,055,878
Total Net Position	$ 37,737,480	$ 34,091,275	$ 71,828,755	$ 36,418,436	$ 33,346,577	$ 69,765,013

Current and other assets of the governmental activities increased by $16,059,670, or 66%, primarily due to greater cash on hand resulting proceeds received from new debt issuance in the current year. Current and other assets of the business-type activities decreased by $2,842,994, or 11%, primarily due to less cash on hand resulting from capital improvement expenditures exceeding revenues during the year. Capital assets for the primary government increased $8,183,735, or 9%, due to capital improvements during the year. Other liabilities for the primary government increased $2,754,136, or 50%, primarily attributable to greater payables due at the end of the current year and timing of payments. Long-term liabilities for governmental activities increased by $18,733,536, or over 100%, which is primarily related to debt issuances in the current year. Long-term liabilities for business-type activities decreased by $2,939,719, or 6%, primarily due to principal payments made towards debt in the current year. Total deferred outflows of the primary government decreased and total deferred inflows of the primary government increased by $644,196 and $144,520, respectively. These changes are strictly due to actuarial changes in the City's pension inputs over the course of the year.

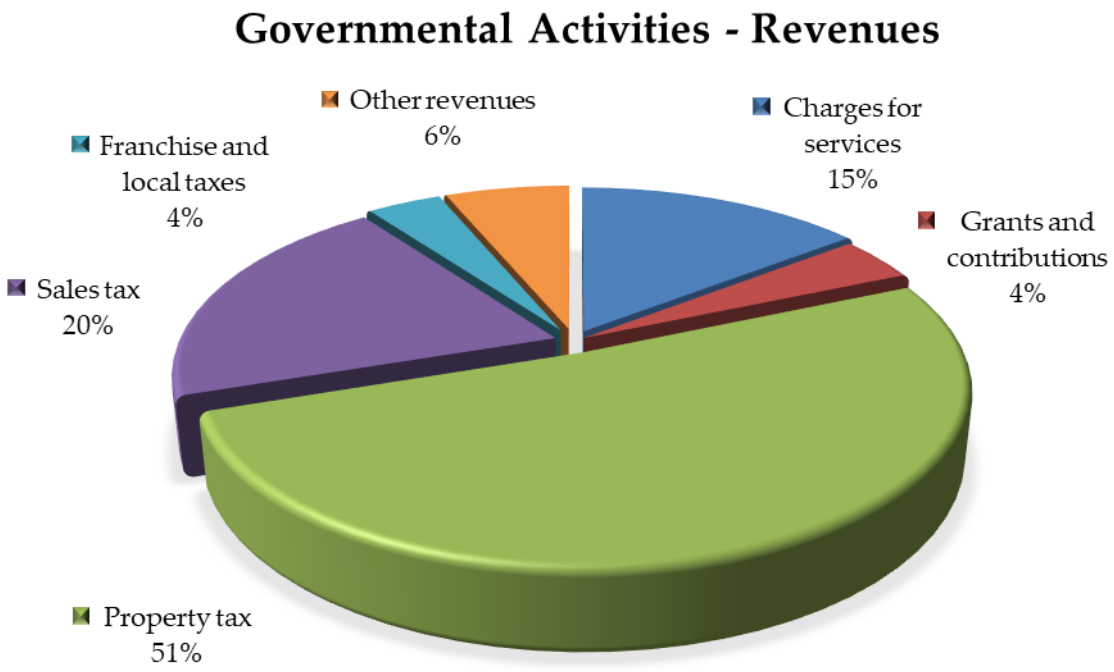
Statement of Activities:

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

	For the Year Ended September 30, 2025			For the Year Ended September 30, 2024		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	$ 2,381,935	$ 29,148,395	$ 31,530,330	$ 3,749,190	$ 27,803,120	$ 31,552,310
Operating grants	532,505	-	532,505	475,639	-	475,639
Capital contributions	128,235	462,408	590,643	171,997	53,111	225,108
General revenues:						
Property tax	8,390,241	-	8,390,241	7,610,224	-	7,610,224
Sales tax	3,284,944	-	3,284,944	3,009,942	-	3,009,942
Franchise & local taxes	616,953	-	616,953	625,958	-	625,958
Investment income	937,800	1,000,060	1,937,860	1,083,776	1,131,268	2,215,044
Other revenues	93,911	112,688	206,599	86,124	106,454	192,578
Total Revenues	16,366,524	30,723,551	47,090,075	16,812,850	29,093,953	45,906,803
Expenses						
General government	2,945,892	-	2,945,892	2,383,519	-	2,383,519
Public safety	8,309,527	-	8,309,527	6,628,423	-	6,628,423
Public works	4,018,383	-	4,018,383	2,826,765	-	2,826,765
Health and welfare	38,098	-	38,098	42,956	-	42,956
Culture and recreation	1,727,577	-	1,727,577	1,632,347	-	1,632,347
Comm. development	1,257,404	-	1,257,404	1,963,799	-	1,963,799
Interest on long-term debt	745,842	1,429,409	2,175,251	348,098	1,442,071	1,790,169
Electric	-	12,559,940	12,559,940	-	11,150,785	11,150,785
Water	-	6,904,661	6,904,661	-	5,626,174	5,626,174
Wastewater	-	2,075,377	2,075,377	-	1,667,732	1,667,732
Nonmajor enterprise	-	2,846,766	2,846,766	-	4,433,842	4,433,842
Total Expenses	19,042,723	25,816,153	44,858,876	15,825,907	24,320,604	40,146,511
Change in Net Position Before Transfers	(2,676,199)	4,907,398	2,231,199	986,943	4,773,349	5,760,292
Transfers	4,162,700	(4,162,700)	-	4,044,759	(4,044,759)	-
Total	4,162,700	(4,162,700)	-	4,044,759	(4,044,759)	-
Change in Net Position	1,486,501	744,698	2,231,199	5,031,702	728,590	5,760,292
Beginning Net Position (restated)	* 36,250,979	33,346,577	* 69,597,556	31,386,734	32,617,987	64,004,721
Ending Net Position	$ 37,737,480	$ 34,091,275	$ 71,828,755	$ 36,418,436	$ 33,346,577	$ 69,765,013

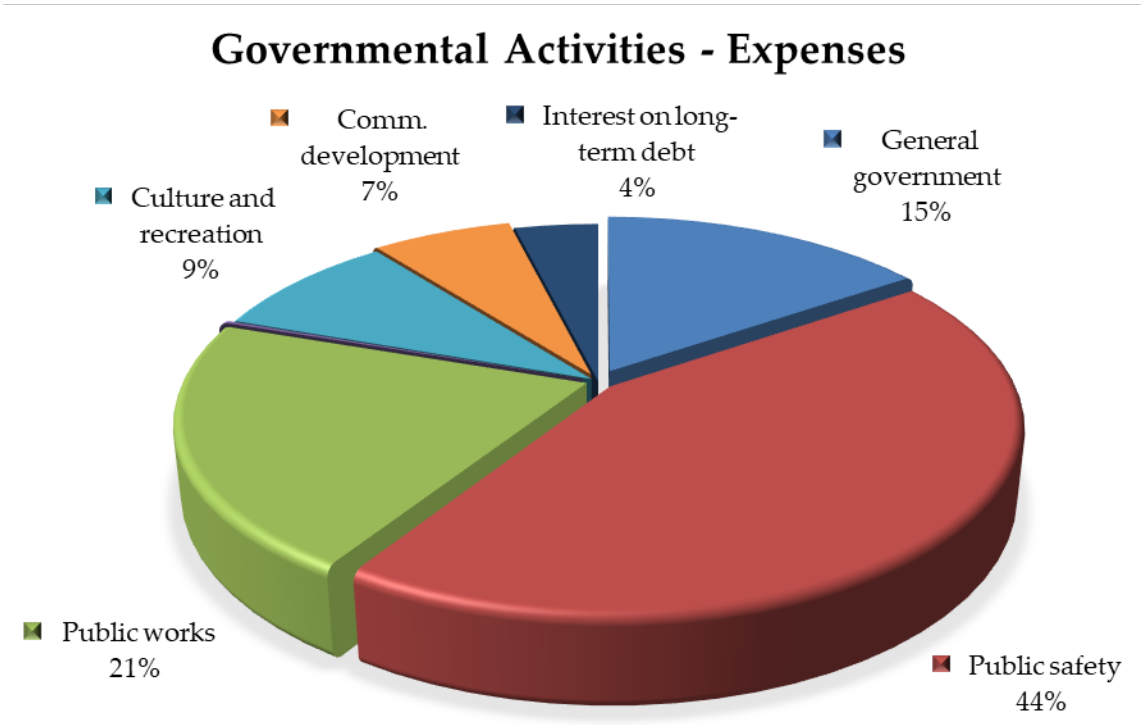
* Includes restatement for New Acct. Standard GASB 101

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



For the year ended September 30, 2025, revenues from governmental activities totaled $16,366,524. Property tax, charges for services, and sales tax are the City's largest general revenue sources. Overall revenue decreased $446,326, or 3%, from the prior year. Charges for services decreased by $1,367,255, or 36%, due to a decline in building and zoning permit revenue, resulting from the completion of two subdivisions in the prior year. Property taxes increased by $780,017, or 10%, primarily due to greater appraised values and an increase in property tax rates. Sales taxes increased by $275,002, or 9%, due to economic growth fueled by local purchases. Investment income decreased by $145,976, or 13%, primarily due to the realization of lower interest rates during the year. All other revenues remained relatively stable when compared to the previous year.

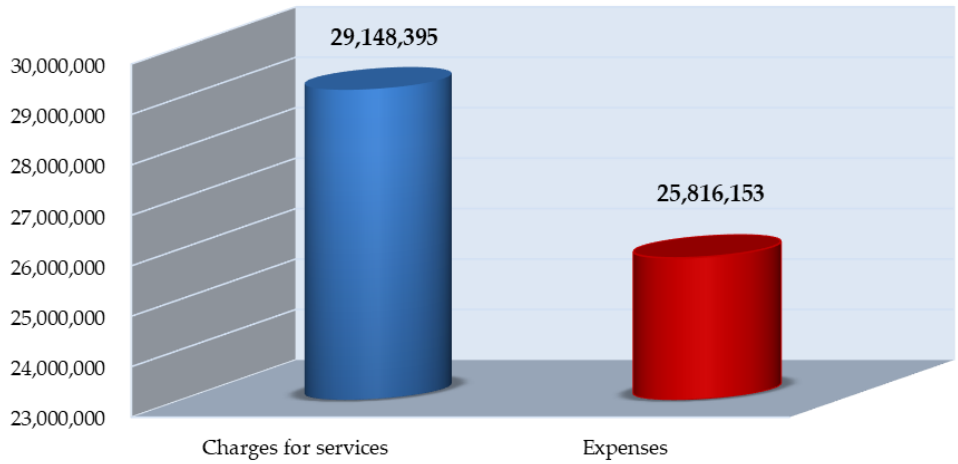
This graph shows the governmental function expenses of the City:



For the year ended September 30, 2025, expenses for governmental activities totaled $19,042,723. This represents an increase of $3,216,816, or 20%, from the prior year. The City's largest functional expense is public safety totaling $8,309,527. Public safety increased $1,681,104, or 25%, due to greater personnel costs resulting from vacancies being filled in the current year, greater architectural/engineering expense, and nonrecurring changes in the City's pension valuation inputs in the current year. General government expenses increased by $562,373, or 24%, primarily due to greater personnel costs related to a full year's salary and benefits being paid in the current year to the Public Information Officer and Finance Director that was hired late in the prior year. In addition, there were greater downtown promotion expenses and architectural/engineering costs in the current year. Public works expenses increased $1,191,618, or 42%, primarily due to nonrecurring TXDOT grant related expenses. Culture and recreation expenses increased by $95,230, or 6%, primarily due to greater personnel costs due to new hires and market retention adjustments and nonrecurring employee benefit costs resulting from changes in the City's pension valuation inputs in the current year. Community development expenses decreased by $706,395, or 36%, due primarily to outsourcing building and health inspection services in the current year. Interest and fiscal charges increased by $397,744, or over 100%, primarily due to nonrecurring bond issuance costs in the current year. All other governmental activities expenses remained relatively consistent with the prior year.

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

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2025, charges for services by business-type activities totaled $29,148,395. This represents an increase of $1,345,275, or 5%, from the previous year, which is a direct result of greater water service rates and increased utility service consumption in the current year. Capital contributions increased by $409,297, or over 100%, as a result of nonrecurring capital grant contributions received in the current year. Investment income decreased $131,208, or 12%, due to the realization of lower interest rates during the year. All other revenues remained relatively consistent with the prior year.

Total business-type activity expenses increased by $1,495,549, or 6%, to a total of $25,816,153. Electric expenses totaled $12,559,940, while water and wastewater operations totaled $6,904,661 and $2,075,377, respectively. Electric expenses increased $1,409,155, or 13%, due to greater personnel costs, resulting from filling prior year vacancies in the current year. In addition, greater demand consumption resulted in higher wholesale power costs and credit card usage fees. Water expenses increased by $1,278,487, or 23%, due to higher consumption and related treatment plant and GBRA costs. Wastewater expenses increased by $407,645, or 24%, due to greater personnel costs, resulting from filling prior year vacancies in the current year. In addition, higher consumption resulted in greater treatment plant costs. Nonmajor enterprise expenses decreased by $1,587,076, or 36%, primarily due to the sale of EMS services to Caldwell County at the end of January 2025.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds - The focus of the City's governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the

City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

At September 30, 2025, the City's governmental funds reported combined fund balances of $37,128,521, an increase of $14,882,821 in comparison with the prior year. Approximately 18% of this amount, $6,653,293, 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 $95,894 2) committed for particular purposes $366,675 or 3) restricted for particular purposes $30,012,659.

As of the end of the year the general fund reflected a total fund balance of $8,929,057. Of this, $438,280 is considered not in spendable form and committed. Restricted fund balance totaled $1,646,996 and $6,843,781 is unassigned. General fund balance decreased by $5,497,038 during the current year as compared to a final budgeted increase of $69,794. The decrease in fund balance was primarily a result of higher than expected capital expenditures and public works expenses.

As a measure of the general fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of $6,843,781 is 30% of total general fund expenditures. Overall revenue in the general fund decreased by $190,847 when compared to the prior year. Property tax, sales tax, and charges for services showed the largest increase due to a growing local economy, greater appraisal values, and an increase in the property tax rates. General fund expenditures increased by $7,448,148 when compared to the prior year. The largest increases were in public works and capital outlay of $3,236,066, and $2,979,583, respectively.

As of the end of the year the 2025 CO fund reflected a total fund balance of $20,002,853. This fund was added in fiscal year 2025. The increase is a direct result of bond issuance proceeds recognized in the current year. There have been no expenditures recorded 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 $4,853,477, a decrease of $1,911,378 from the previous year. Total investment in capital assets, net of related debt was $19,697,554, and capital assets, net of depreciation totaled $67,206,994.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total budgeted revenues of $11,551,015 were less than actual revenues of $12,278,437, resulting in a total positive revenue variance of $727,422. All actual revenues were greater than the budgeted amounts, with the exception of franchise and local taxes, intergovernmental and license and permits.

Total budgeted expenditures of $15,901,212, were less than actual expenditures of $22,503,763, resulting in a total negative expenditure variance of $6,602,551. Actual expenditures for the current year

exceeded appropriations at the legal level of control by $6,595,998, including transfers out. No budget amendments were made during the year.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested $33,616,666 in a variety of capital assets and infrastructure, net of accumulated depreciation. The City's business-type activities funds had invested $67,206,994 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, park improvements, and infrastructure.

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

- Purchased land at 120 W MLK Jr Industrial Blvd for $236,483
- Purchased building at 120 W MLK Jr Industrial Blvd for $1,503,430.
- Purchased Dell Powerstore 500T with touchscreen for city wide IT storage totaling $92,850.
- Concrete slab at fire station for $29,400.
- Purchased two 2024 Ford F150 police vehicles totaling $108,562.
- Purchased two 2025 Ford Explorer police vehicles totaling $110,180.
- Purchased laptops and mobile radio units for police totaling $188,963.
- Purchased Fire Apparatus Spartan Truck for $1,229,670.
- Purchased a 2025 Ford F-550 Super Cab 4x4 police vehicle for $59,840.
- Purchased SCBA fill station with SCBA cylinders for $23,125.
- Purchased two 2025 Ford F-250 for parks totaling $100,905.
- Purchased four police vehicles totaling $289,771 through lease financing.
- Continued Lockhart Downtown revitalization for $3,900,737.
- Continued Fire Station 1 project for $129,308.
- Continued animal shelter upgrade project for $96,207.
- Began Aquatics Center project for $143,999.
- Purchased five electrical easements totaling $159,516.
- Continued LK 30 Ash St. copper replacement for $324,001.
- Began Project 7 – electric system improvements totaling $67,500.
- Continued CF 100 Clear Fork copper replacement for $83,705.
- County Wide Alley project electric utility for $150,000.
- Terex Hi-Ranger bucket truck for electric utility for $271,154.
- DTK 300 (ES-12) with Kubota D1105 engine for electric utility for $49,000.
- Purchased four water easements totaling $113,371.
- Continued water meter replacement project for $224,240.
- Continued Lockhart Downtown revitalization utility project for $3,740,328.
- Began Lockhart COG-MOD waterline engineering for $68,480.
- Purchased six wastewater easements totaling $151,928.

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, increased by $16,711,129 from the prior year. The total bonds, leases and certificates of obligation payable at the close of the fiscal year was $79,110,680, 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 57% since 2021 and property tax revenue has increased by 45%. Even with the 57% increase, the City continues to forecast sales tax in a conservative position. The total sales tax payments received in 2025 fiscal year equaled $4,927,415. The City anticipates a continued increase for 2026.

Property valuations have increased due to new additions and property on the tax roll, along with the appraisal district reassessing valuations. The certified assessed taxable property valuations for the 2026 fiscal year (2025 tax roll) total $1,659,352,251 with a tax rate of $0.4113 per $100 valuation for maintenance and operations and $0.1428 per $100 valuation for the interest and sinking fund. The total tax rate of $0.5541.

The City's capital plan for 2025-2026 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, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 34,554,898	$ 19,909,714	$ 54,464,612
Receivables, net	1,625,698	5,336,629	6,962,327
Lease receivable, current	-	21,830	21,830
Internal balances	3,978,745	(3,978,745)	-
Due from component unit	79,220	-	79,220
Inventories	13,998	711,916	725,914
Prepaid and other assets	81,896	-	81,896
Total Current Assets	40,334,455	22,001,344	62,335,799
Noncurrent assets:			
Lease receivable, noncurrent	-	40,453	40,453
Capital assets:			
Non-depreciable	7,415,559	5,881,504	13,297,063
Net depreciable capital assets	26,201,107	61,325,490	87,526,597
Total Noncurrent Assets	33,616,666	67,247,447	100,864,113
Total Assets	73,951,121	89,248,791	163,199,912
Deferred Outflows of Resources			
Pension outflows-TMRS	948,796	251,562	1,200,358
OPEB outflows-TMRS	14,454	3,833	18,287
Deferred charge on refunding	93,769	65,792	159,561
Total Deferred Outflows of Resources	1,057,019	321,187	1,378,206

Component Unit
Lockhart EDC
$ 8,496,020
263,968
-
-
-
-
10,364
8,770,352
-
1,049,431
4,212,886
5,262,317
14,032,669
19,643
299
-
19,942

City of Lockhart, Texas

STATEMENT OF NET POSITION (Page 2 of 2)

September 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Accounts payable	$ 1,568,432	$ 3,190,552	$ 4,758,984
Accrued liabilities	732,724	206,688	939,412
Due to primary government	-	-	-
Due to other governments	41,037	-	41,037
Customer deposits	-	766,176	766,176
Compensated absences, current	783,340	143,249	926,589
Accrued interest payable	196,210	663,603	859,813
Long-term debt due in one year	1,649,355	2,303,426	3,952,781
Total Current Liabilities	4,971,098	7,273,694	12,244,792
Noncurrent liabilities:			
Net pension liability	2,980,090	790,134	3,770,224
OPEB liability-TMRS	356,269	94,464	450,733
OPEB liability-Retiree healthcare	274,824	72,866	347,690
Compensated absences	87,038	15,917	102,955
Long-term debt due in more than one year	28,116,978	47,040,921	75,157,899
Total Noncurrent Liabilities	31,815,199	48,014,302	79,829,501
Total Liabilities	36,786,297	55,287,996	92,074,293
Deferred Inflows of Resources			
Pension inflows	395,710	104,917	500,627
OPEB inflows-TMRS	65,063	17,252	82,315
OPEB inflows-Retiree Healthcare	23,590	6,255	29,845
Deferred inflows -lease related	-	62,283	62,283
Total Deferred Inflows of Resources	484,363	190,707	675,070
Net Position			
Net investment in capital assets	24,274,707	19,697,554	43,972,261
Restricted for:			
General government	679,019	-	679,019
Public safety	25,392	-	25,392
Municipal court	181,650	-	181,650
Tourism	87,496	-	87,496
Capital projects	6,119,415	9,540,244	15,659,659
Debt service	1,764,912	-	1,764,912
Economic development	-	-	-
Unrestricted	4,604,889	4,853,477	9,458,366
Total Net Position	$ 37,737,480	$ 34,091,275	$ 71,828,755

See Notes to Financial Statements.

Component Unit
Lockhart EDC
$ 1,275,111
-
79,220
-
-
3,021
8,708
117,172
1,483,232
61,697
7,376
-
336
1,123,943
1,193,352
2,676,584
8,193
1,347
-
-
9,540
4,021,202
-
-
-
-
-
-
7,345,285
-
$ 11,366,487

City of Lockhart, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	$ 2,945,892	$ -	$ 138,662	$ -
Public safety	8,309,527	428,207	393,843	128,235
Public works	4,018,383	758,836	-	-
Health and welfare	38,098	-	-	-
Culture and recreation	1,727,577	130,306	-	-
Community development	1,257,404	1,064,586	-	-
Interest on long-term debt	745,842	-	-	-
Total Governmental Activities	19,042,723	2,381,935	532,505	128,235
Business-Type Activities				
Electric	12,559,940	14,062,850	-	-
Water	6,904,661	8,146,651	-	438,511
Wastewater	2,075,377	4,191,724	-	-
* Nonmajor enterprise	2,846,766	2,747,170	-	23,897
Interest on long-term debt	1,429,409	-	-	-
Total Business-Type Activities	25,816,153	29,148,395	-	462,408
Total Primary Government	$ 44,858,876	$ 31,530,330	$ 532,505	$ 590,643
Component Units				
Lockhart EDC	1,891,621	-	-	-
Total Component Units	$ 1,891,621	$ -	$ -	$ -

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, as previously reported	
New Acct. Standard - GASB 101	
Error correction	
Beginning Net Position, as adjusted	
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
$ (2,807,230)	$ -	$ (2,807,230)	$ -
(7,359,242)	-	(7,359,242)	-
(3,259,547)	-	(3,259,547)	-
(38,098)	-	(38,098)	-
(1,597,271)	-	(1,597,271)	-
(192,818)	-	(192,818)	-
(745,842)	-	(745,842)	-
(16,000,048)	-	(16,000,048)	-
-	1,502,910	1,502,910	-
-	1,680,501	1,680,501	-
-	2,116,347	2,116,347	-
-	(75,699)	(75,699)	-
-	(1,429,409)	(1,429,409)	-
-	3,794,650	3,794,650	-
(16,000,048)	3,794,650	(12,205,398)	-
			(1,891,621)
			(1,891,621)
8,390,241	-	8,390,241	-
3,284,944	-	3,284,944	1,642,472
616,953	-	616,953	-
937,800	1,000,060	1,937,860	314,177
201	-	201	-
93,710	112,688	206,398	10,100
4,162,700	(4,162,700)	-	-
17,486,549	(3,049,952)	14,436,597	1,966,749
1,486,501	744,698	2,231,199	75,128
36,418,436	33,404,189	69,822,625	11,291,359
(167,457)		(167,457)	-
-	(57,612)	(57,612)	-
36,250,979	33,346,577	69,597,556	11,291,359
$ 37,737,480	$ 34,091,275	$ 71,828,755	$ 11,366,487

City of Lockhart, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2025

	General	2025 CO's	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 5,991,250	$ 20,002,853	$ 8,560,795	$ 34,554,898
Accounts receivable, net	1,282,642	-	343,056	1,625,698
Due from other funds	4,216,873	-	-	4,216,873
Due fom component unit	79,220	-	-	79,220
Inventories	13,998	-	-	13,998
Prepaids	57,607	-	24,289	81,896
Total Assets	$ 11,641,590	$ 20,002,853	$ 8,928,140	$ 40,572,583
Liabilities				
Accounts payable	$ 1,266,042	$ -	$ 302,390	$ 1,568,432
Accrued liabilities	692,171	-	40,553	732,724
Due to other governments	41,037	-	-	41,037
Due to other funds	-	-	238,128	238,128
Total Liabilities	1,999,250	-	581,071	2,580,321
Deferred Inflows of Resources				
Unavailable revenue - property taxes	500,852	-	141,979	642,831
Unavailable revenue-fines	186,039	-	8,479	194,518
Unavailable revenue - notes receivable	26,392	-	-	26,392
Total Deferred Inflows of Resources	713,283	-	150,458	863,741
Fund Balances				
Nonspendable:				
Inventories	13,998	-	-	13,998
Prepaid items	57,607	-	24,289	81,896
Committed for:				
Sidewalks	62,266	-	-	62,266
Industrial park	304,409	-	-	304,409
Restricted for:				
Debt service	-		1,764,912	1,764,912
General government	583,330	-	95,689	679,019
Public safety	-	-	25,392	25,392
Municipal court	-	-	181,650	181,650
Tourism	-	-	87,496	87,496
Capital projects	1,063,666	20,002,853	6,207,671	27,274,190
Unassigned	6,843,781	-	(190,488)	6,653,293
Total Fund Balances	8,929,057	20,002,853	8,196,611	37,128,521
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 11,641,590	$ 20,002,853	$ 8,928,140	$ 40,572,583

See Notes to Financial Statements.

City of Lockhart, Texas

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

September 30, 2025

Fund Balances - Total Governmental Funds	$	37,128,521
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		7,415,559
Capital assets - net depreciable		26,201,107
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
Property tax		642,831
Fines and fees		194,518
Other receivables		26,392
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 (revenues) until that time		
Pension inflows		(395,710)
OPEB inflows-TMRS		(65,063)
OPEB inflows-Retiree Healthcare		(23,590)
Deferred outflows of resources, represent a consumption of net assets that applies to a future period(s) and is not recognized as an outflow of resources (expense/ expenditures) until then		
Pension outflows		948,796
OPEB outflows-TMRS		14,454
Deferred charge on refunding		93,769
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.		
Accrued interest		(196,210)
Deferred charges:		
Bond premium		(1,602,589)
Net pension liability		(2,980,090)
OPEB liability-TMRS		(356,269)
OPEB liability-Retiree healthcare		(274,824)
Compensated absences		(870,378)
Non-current liabilities due in one year		(1,649,355)
Non-current liabilities due in more than one year		(26,514,389)
Net Position of Governmental Activities	$	37,737,480

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, 2025

	General	2025 CO's	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property tax	$ 6,279,835	$ -	$ 2,160,480	$ 8,440,315
Sales tax	3,284,944	-	-	3,284,944
Franchise and local taxes	396,051	-	220,902	616,953
Fines and forfeitures	308,495	-	32,718	341,213
License and permits	695,752	-	368,834	1,064,586
Charges for services	130,306	-	758,836	889,142
Intergovernmental	503,642	-	157,098	660,740
Investment income	585,702	-	352,098	937,800
Other revenue	93,710	-	-	93,710
Total Revenues	12,278,437	-	4,050,966	16,329,403
Expenditures				
Current:				
General government	2,511,288	-	303,532	2,814,820
Public safety	8,229,238	-	246,188	8,475,426
Public works	5,552,959	-	2,687	5,555,646
Health and welfare	28,920	-	-	28,920
Culture and recreation	1,678,071	-	1,262	1,679,333
Community development	1,238,878	-	-	1,238,878
Debt Service:				
Principal	245,900	-	1,332,622	1,578,522
Interest and fiscal charges	38,926	-	332,560	371,486
Bond issuance costs	-	278,056	-	278,056
Capital outlay	2,979,583	-	1,210,076	4,189,659
Total Expenditures	22,503,763	278,056	3,428,927	26,210,746
Revenues Over (Under) Expenditures	(10,225,326)	(278,056)	622,039	(9,881,343)
Other Financing Sources (Uses)				
Bond issuance	-	18,955,000	-	18,955,000
Bond premium	-	1,325,909	-	1,325,909
Lease issuance	320,354	-	-	320,354
Sale of capital assets	201	-	-	201
Transfers in	4,466,180	-	437,110	4,903,290
Transfers (out)	(58,447)	-	(682,143)	(740,590)
Total Other Financing Sources	4,728,288	20,280,909	(245,033)	24,764,164
Net Change in Fund Balances	(5,497,038)	20,002,853	377,006	14,882,821
Beg. fund balances	14,426,095	-	7,819,605	22,245,700
Ending Fund Balances	$ 8,929,057	$ 20,002,853	$ 8,196,611	$ 37,128,521

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, 2025

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

Net changes in fund balances - total governmental funds	$	14,882,821
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		8,362,466
Depreciation expense		(2,331,571)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property tax		(50,074)
Fines and fees		86,994
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		(125,069)
Accrued interest		(139,894)
Pension expense		(191,000)
OPEB expense-TMRS		(39,584)
OPEB expense-retiree healthcare		10,559
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.		
Debt issuance		(18,955,000)
Debt premium		(1,325,909)
Lease issuance		(320,354)
Amortization of deferred charge on refunding		(23,442)
Amortization of premium		67,036
Principal payments		1,578,522
Change in Net Position of Governmental Activities	$	1,486,501

See Notes to Financial Statements.

City of Lockhart, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUNDS (Page 1 of 2)

September 30, 2025

	Business-Type Activities		
	Electric	**Water**	**Wastewater**
Assets			
Current Assets			
Cash and cash equivalents	$ 3,480,320	$ 6,850,583	$ 8,280,474
Accounts receivable, net	2,835,794	1,437,336	651,538
Lease recivable	-	21,830	-
Due from other funds	-	-	400,251
Inventories	711,916	-	-
Total Current Assets	7,028,030	8,309,749	9,332,263
Noncurrent Assets			
Lease receivable	-	40,453	-
Capital assets:			
Non-depreciable	696,449	4,498,573	493,912
Net depreciable capital assets	5,913,963	47,460,210	6,848,881
Total Noncurrent Assets	6,610,412	51,999,236	7,342,793
Total Assets	13,638,442	60,308,985	16,675,056
Deferred Outflows of Resources			
Pension outflows-TMRS	154,257	38,861	34,395
OPEB outflows-TMRS	2,350	592	524
Deferred loss on refunding	-	57,035	8,757
Total Deferred Outflows of Resources	156,607	96,488	43,676

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
$ 1,298,337	$ 19,909,714
411,961	5,336,629
-	21,830
-	400,251
-	711,916
1,710,298	26,380,340
-	40,453
192,570	5,881,504
1,102,436	61,325,490
1,295,006	67,247,447
3,005,304	93,627,787
24,049	251,562
367	3,833
-	65,792
24,416	321,187

City of Lockhart, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUNDS (Page 2 of 2)

September 30, 2025

	Business-Type Activities		
	Electric	**Water**	**Wastewater**
Liabilities			
Current Liabilities			
Accounts payable	$ 1,262,753	$ 1,571,871	$ 190,988
Accrued liabilities	177,043	-	18,668
Customer deposits	526,540	234,536	-
Compensated absences, current	61,554	44,041	17,610
Lease liabilities, current	9,125	6,642	6,651
Long-term debt, current	117,874	1,842,134	317,594
Due to other funds	2,754,165	1,609,537	15,294
Accrued interest	5,504	650,746	7,353
Total Current Liabilities	4,914,558	5,959,507	574,158
Noncurrent Liabilities			
Compensated absences, noncurrent	6,839	4,893	1,957
Long-term debt, noncurrent	632,556	44,809,807	1,598,558
Net pension liability	484,511	122,057	108,030
OPEB liability-TMRS	57,923	14,592	12,915
OPEB liability-retiree healthcare	44,681	11,256	9,963
Total Noncurrent Liabilities	1,226,510	44,962,605	1,731,423
Total Liabilities	6,141,068	50,922,112	2,305,581
Deferred Inflows of Resources			
Pension inflows-TMRS	64,335	16,208	14,345
OPEB inflows-TMRS	10,578	2,665	2,359
OPEB inflows-retiree healthcare	3,836	966	855
Deferred inflows -lease related	-	62,283	-
Total Deferred Inflows of Resources	78,749	82,122	17,559
Net Position			
Net investment in capital assets	5,850,862	7,244,430	5,310,662
Restricted for:			
Capital projects	167,997	4,690,826	4,681,421
Unrestricted	1,556,373	(2,534,017)	4,403,509
Total Net Position	$ 7,575,232	$ 9,401,239	$ 14,395,592

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
$ 164,940	$ 3,190,552
10,977	206,688
5,100	766,176
20,045	143,249
3,406	25,824
-	2,277,602
-	4,378,996
-	663,603
204,468	11,652,690
2,227	15,917
-	47,040,921
75,536	790,134
9,034	94,464
6,966	72,866
93,763	48,014,302
298,231	59,666,992
10,029	104,917
1,650	17,252
598	6,255
-	62,283
12,277	190,707
1,291,600	19,697,554
-	9,540,244
1,427,612	4,853,477
$ 2,719,212	$ 34,091,275

City of Lockhart, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2025

	Business-Type Activities		
	Electric	**Water**	**Wastewater**
Operating Revenues			
Charges for services	$ 14,062,850	$ 8,146,651	$ 4,191,724
Other revenue	8,019	-	15
Total Operating Revenues	14,070,869	8,146,651	4,191,739
Operating Expenses			
Personnel services	1,639,271	487,555	414,514
Supplies	102,095	48,329	108,198
Maintenance and repairs	168,640	641,822	60,968
Contractual services	461,042	2,610,659	69,537
Power, water, and water treatment	8,620,092	1,094,347	1,096,587
Non-departmental	-	-	61,660
Miscellaneous	1,025,654	5,408	-
Depreciation and amortization	543,146	2,016,541	263,913
Total Operating Expenses	12,559,940	6,904,661	2,075,377
Operating Income (Loss)	1,510,929	1,241,990	2,116,362
Nonoperating Revenues (Expenses)			
Gain(loss) on sale of assets	-	-	-
Investment earnings	147,777	396,822	400,221
Interest expense	(16,691)	(1,350,667)	(61,603)
Total Nonoperating Revenues (Expenses)	131,086	(953,845)	338,618
Income (Loss) Before Capital Contributions and Transfers	1,642,015	288,145	2,454,980
Capital Contributions and Transfers			
Capital grants	-	438,511	-
Transfers in	-	532,787	-
Transfers (out)	(2,390,930)	(298,136)	(1,534,912)
Total Capital Contributions and Transfers	(2,390,930)	673,162	(1,534,912)
Change in Net Position	(748,915)	961,307	920,068
Beg. net position, as previously presented	8,324,147	8,439,932	13,475,524
Error correction	-	-	-
Beg. net position, as adjusted	8,324,147	8,439,932	13,475,524
Ending Net Position	$ 7,575,232	$ 9,401,239	$ 14,395,592

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
$ 2,747,170	$ 29,148,395
104,654	112,688
2,851,824	29,261,083
436,729	2,978,069
10,057	268,679
2,008,139	2,879,569
106,251	3,247,489
-	10,811,026
-	61,660
10,117	1,041,179
105,732	2,929,332
2,677,025	24,217,003
174,799	5,044,080
(169,741)	(169,741)
55,240	1,000,060
(448)	(1,429,409)
(114,949)	(599,090)
59,850	4,444,990
23,897	462,408
-	532,787
(471,509)	(4,695,487)
(447,612)	(3,700,292)
(387,762)	744,698
3,164,586	33,404,189
(57,612)	(57,612)
3,106,974	33,346,577
$ 2,719,212	$ 34,091,275

City of Lockhart, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended September 30, 2025

	Business-Type Activities		
	Electric	**Water**	**Wastewater**
Cash Flows from Operating Activities			
Payments to employees	$ (1,605,206)	$ (454,015)	$ (373,083)
Payments to suppliers	(8,016,875)	(3,571,935)	(1,891,788)
Receipts from customers	13,592,575	7,634,493	4,035,773
Net Cash Provided (Used) by Operating Activities	3,970,494	3,608,543	1,770,902
Cash Flows from Noncapital Financing Activities			
Transfers in	-	532,787	-
Transfers (out)	(2,390,930)	(298,136)	(1,534,912)
Net Cash Provided (Used) by Noncapital Financing	(2,390,930)	234,651	(1,534,912)
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(1,172,016)	(3,692,874)	(165,243)
Sale of capital assets	-	-	-
Capital grants	-	438,511	-
Principal paid on capital debt	(135,822)	(1,803,601)	(321,286)
Interest paid on capital debt	(16,928)	(1,384,781)	(65,335)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,324,766)	(6,442,745)	(551,864)
Cash Flows from Investing Activities			
Interest on investments	147,777	396,822	400,221
Net Cash Provided by Investing Activities	147,777	396,822	400,221
Net Increase (Decrease) in Cash and Cash Equivalents	402,575	(2,202,729)	84,347
Beginning cash and cash equivalents	3,077,745	9,053,312	8,196,127
Ending Cash and Cash Equivalents	$ 3,480,320	$ 6,850,583	$ 8,280,474

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
$ (909,162)	$ (3,341,466)
(2,316,186)	(15,796,784)
3,618,619	28,881,460
393,271	9,743,210
-	532,787
(471,509)	(4,695,487)
(471,509)	(4,162,700)
-	(5,030,133)
341,018	341,018
23,897	462,408
(5,733)	(2,266,442)
(448)	(1,467,492)
358,734	(7,960,641)
55,240	1,000,060
55,240	1,000,060
335,736	(1,380,071)
962,601	21,289,785
$ 1,298,337	$ 19,909,714

City of Lockhart, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2025

	Business-Type Activities		
	Electric	**Water**	**Wastewater**
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	$ 1,510,929	$ 1,241,990	$ 2,116,362
Adjustments to reconcile operating income (loss) to net cash provided (used):			
Depreciation	543,146	2,016,541	263,913
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(412,794)	(569,021)	(155,966)
Inventory	(24,692)	-	-
Deferred outflows:			
Pension	53,071	16,787	759
OPEB	(1,002)	(230)	(295)
Increase (Decrease) in:			
Accounts payable and accrued liabilities	290,258	706,934	(144,838)
Accrued interest	-	-	-
Customer deposits	(65,500)	56,863	-
Compensated absences	5,575	34,290	9,400
Due to other funds	2,095,082	121,696	(350,000)
Deferred inflows:			
Pension	27,885	6,425	8,165
OPEB	(929)	(487)	613
Net pension liability	(55,492)	(22,884)	16,468
OPEB Liability	4,957	(361)	6,321
Net Cash Provided (Used) by Operating Activities	$ 3,970,494	$ 3,608,543	$ 1,770,902
Schedule of Non-Cash Capital and Related Financing Activities			
Lease issuance	$ 19,275	$ 14,485	$ 14,503
Capital related accounts payable	$ -	$ (266,048)	$ (223,146)

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
$ 174,799	$ 5,044,080
105,732	2,929,332
766,695	(371,086)
-	(24,692)
233,095	303,712
1,306	(221)
(123,078)	729,276
(10,013)	(10,013)
100	(8,537)
(12,164)	37,101
(48,531)	1,818,247
(35,179)	7,296
(11,628)	(12,431)
(594,218)	(656,126)
(53,645)	(42,728)
$ 393,271	$ 9,743,210
$ 5,863	$ 54,126
$ -	$ (489,194)

City of Lockhart, Texas

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

September 30, 2025

	Private Purpose Trusts	Custodial Funds
Assets		
Cash and cash equivalents	$ 653	$ 63,413
Prepaids	-	1,211
Total Assets	$ 653	$ 64,624
Liabilities		
Due to others	-	30,535
Total Liabilities	-	30,535
Net Position		
Restricted for various purposes:	$ 653	$ 34,089
Total Net Position	$ 653	$ 34,089

See Notes to Financial Statements.

City of Lockhart, Texas

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

For the Year Ended September 30, 2025

	Private Purpose Trusts	Custodial Funds
Additions		
Investment income	$ 30	$ 2,940
Other revenue	-	741
Total Additions	30	3,681
Net Change in Net Position	30	3,681
Beginning Net Position	623	30,408
Ending Net Position	$ 653	$ 34,089

See Notes to Financial Statements.

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Description of Government-Wide Financial Statements

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

B. Reporting Entity

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

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

Discretely Presented Component Unit

Lockhart Economic Development Corporation ("LEDC")

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

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

The LEDC meets the criteria of a discretely presented component unit and is presented as a governmental fund type. Complete financial statements for the Lockhart Economic Development Corporation may be obtained at City Hall. No other organizations met the necessary criteria for inclusion as component units for the year ended September 30, 2025.

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;

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.

2025 CO Fund

The 2025 CO fund is used to account for paying contractual obligations incurred in connection with improving, constructing, equipping, acquiring, or designing the City's: (1) parks and recreation facilities, to include an aquatics center, recreation center and improving Lions Park; (2) public safety facilities, including the acquisition of land for police and fire facilities; (3) existing administration building; and (4) the payment of professional services and bond issuances costs.

The government reports the following major enterprise funds:

Electric Fund

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

Water Fund

The water fund is used to account for the establishment and maintenance of water facilities within the municipal boundaries of the City. Activities of the fund include administration, operation and maintenance of the water system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt

principal and interest for water debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the funds.

Wastewater Fund

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

Additionally, the government reports the following fund types:

Debt Service Funds

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

Capital Project Funds

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

Special Revenue Funds

The City accounts for resources restricted to, or designated for, specific purposes in a special revenue fund. As of September 30, 2025, 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 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 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

2. Fair Value

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

3. Receivables and Interfund Transactions

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

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

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

4. Inventories and Prepaid Items

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

5. Restricted Assets

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

6. Capital Assets

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

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

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

Asset Description	Estimated Useful Life
Building and improvements	10 to 50 years
Machinery and equipment	5 to 10 years
Public domain infrastructure	10 to 40 years
Utility system infrastructure	30 to 50 years
Intangible assets	5 to 40 years
Right-to-use lease assets	3 to 7 years
Right-to-use SBITA assets	10 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 form the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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 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.

9. Pensions

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

10. Other Postemployment Benefits ("OPEB")

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

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

four coverage tiers depending on dependent status and continue until Medicare eligible. A Medicare supplement policy is available to Medicare eligible retirees with the retiree paying the full premium.

11. 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.

Lessor: The City is a lessor for a noncancellable lease of a cell tower. The City recognizes a lease receivable and a deferred inflow of resources in the governmentwide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease

receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.
Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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.

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 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.

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

The City accounts for vacation and sick leave in accordance with the provisions of GASB Statement No. 101, Compensated Absences. Under GASB Statement No. 101, the City recognizes a liability for compensated absences for vacation leave that is attributable to services already rendered and for which the City has a present obligation to provide compensation through paid time off or cash settlement. Vacation leave is reported as a liability regardless of whether it is expected to be paid within one year. The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Vested or accumulated vacation leave and compensated leave of government-wide and proprietary funds are recognized as an expense and liability of those funds as the benefits accrue to employees.

Sick leave is considered a non-separation benefit and is recognized as a liability only to the extent it is probable that the leave will be used for qualifying absences and the amount can be reasonably estimated. Because unused sick leave is not paid upon separation from employment, the City does not record a liability for sick leave beyond amounts expected to be taken as paid absences in the future.

It is the City's policy to liquidate compensated absences with future revenues rather than with currently available expendable resources. Accordingly, the City's governmental funds recognize accrued compensated absences when it is paid.

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, hotel/motel tax, and the enterprise funds. 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. The following funds exceeded appropriations at the level of control:

General Fund	$6,595,998
Debt Service Fund	$5,245

No other funds 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 $30,379,334, of which, $207,042 is restricted by enabling legislation.

B. Deficit Fund Equity

As of September 30, 2025, three nonmajor governmental funds, court technology, radio system maintenance, and drainage, reported deficit fund balances of $16,179, 74,105, and $75,915, respectively. The deficits will be replenished through interfund transfers and future operating surpluses.

C. Public Funds Investment & Collateral Acts

State statues require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2025, the market values of pledged securities and FDIC exceeded bank balances. In addition, the City is required to adopt certain standards as it relates to the investment and maintenance of public funds. The City was in compliance with the requirement Public Funds Investment Act and the Public Funds Collateral Act.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits - The City's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas Public Funds Investment Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the City's and the depository bank's agent bank. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of FDIC insurance. The City's deposits, as well as those of the City’s component unit were fully insured or collateralized as required by the state statutes at September 30, 2025.

As of September 30, 2025, the primary government had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
External investment pools	$ 53,806,973	0.12
Total value	$ 53,806,973	
Portfolio weighted average maturity		0.12

As of September 30, 2025, the component unit had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
External investment pools	$ 8,098,957	0.12
Total value	$ 8,098,957	
Portfolio weighted average maturity		0.12

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

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

Credit risk: The City's investment policy requires that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce the risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific user. At year-end, the City was not exposed to concentration of credit risk. It is LEDC policy to limit its investment to those that are authorized under the Texas Public Funds Investment Act. Additionally, any money market mutual funds or local government investment pools must be rated no lower than AAA by at least one nationally recognized rating service. As of September 30, 2025, 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, 2025.

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, 2025, the fair value of the portion in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

TexSTAR

TexSTAR has been established for governmental entities pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexSTAR's governing body is a five-member Board consisting of three representatives of participants and one member designated by each of the co-administrators. The Board holds legal title to all money, investments, and assets and has the authority to employ personnel, contract for services, and engage in other administrative activities necessary or convenient to accomplish the objectives of TexSTAR. Board oversight of TexSTAR is maintained through daily, weekly, and monthly reporting requirements. TexSTAR is rated

AAAm by Standard & Poor's. The City's fair value position is stated at the value of the position upon withdrawal. There were no limitations or restrictions on withdrawals.

Texas CLASS

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

B. Receivables

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

	Governmental Activities		
	General	Nonmajor Governmental	Total
Property taxes	$ 563,956	$ 141,978	$ 705,934
Sales tax	527,937	-	527,937
Other taxes	29,564	25,613	55,177
Fines & fees	602,486	131,815	734,301
Accounts	-	43,650	43,650
GBRA funds	302,455		302,455
Property liens	180,138		180,138
Other	(262,587)	-	(262,587)
Allowance	(661,307)	-	(661,307)
	$ 1,282,642	$ 343,056	$ 1,625,698

	Business-Type Activities				
	Electric	Water	Wastewater	Nonmajor	Total
Accounts	$ 3,063,733	$ 1,520,382	$ 704,803	$ 431,744	$ 5,720,662
Lease	-	62,283	-	-	62,283
EMS	-	-	-	192,008	192,008
Allowance	(227,939)	(83,046)	(53,265)	(211,791)	(576,041)
	$ 2,835,794	$ 1,499,619	$ 651,538	$ 411,961	$ 5,398,912

The component unit receivables balance consisted entirely of sales tax.

Lease Receivable

The City is a lessor of a contract in which the City receive lease payments from AT&T for the use of an existing cell tower. The lease commenced on August 1, 2023, with a term of months. Monthly lease payments of $2,000 will be paid through July 31, 2028. As of September 30, 2025, the lease receivable and offsetting deferred inflows amounted to $62,283 and $62,283, respectively. The below is the future amortization schedule for the receivable:

Year ending	Lease Receivable	
September 30,	Principal	Interest
2026	$ 21,830	$ 2,170
2027	22,719	1,281
2028	17,734	362
	$ 62,283	$ 3,813

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	$ 246,483	$ -	$ 1,833,877
Construction in progress	1,311,430	4,270,252	-	5,581,682
Total capital assets not being depreciated	2,898,824	4,516,735	-	7,415,559
Capital assets, being depreciated:				
Machinery and equipment	8,550,578	1,992,547	(6,824)	10,536,301
Buildings and improvements	14,464,576	1,532,830	-	15,997,406
Infrastructure	87,111,679	-	-	87,111,679
Right to use assets-leases	1,074,899	320,354	-	1,395,253
Right to use assets-SBITA	151,988	-	-	151,988
Total capital assets being depreciated	111,353,720	3,845,731	(6,824)	115,192,627
Less accumulated depreciation				
Machinery and equipment	7,046,152	493,023	(6,824)	7,532,351
Buildings and improvements	6,242,285	412,084	-	6,654,369
Infrastructure	72,801,316	1,141,933	-	73,943,249
Right to use assets-leases	546,622	269,332	-	815,954
Right to use assets-SBITA	30,398	15,199	-	45,597
Total accumulated depreciation	86,666,773	2,331,571	(6,824)	88,991,520
Net capital assets being depreciated	24,686,947	1,514,160	-	26,201,107
Total Capital Assets	$ 27,585,771	$ 6,030,895	$ -	$ 33,616,666

Depreciation was charged to governmental functions as follows:

General government	$ 252,595
Public safety	664,207
Public works	1,153,459
Health and welfare	9,178
Culture and recreation	252,132
Total Governmental Activities Depreciation Expense	$ 2,331,571

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	$ 424,815	$ -	$ 999,525
Construction in progress	1,378,115	4,518,394	(1,014,530)	4,881,979
Total capital assets not being depreciated	1,952,825	4,943,209	(1,014,530)	5,881,504
Capital assets, being depreciated:				
Machinery and equipment	8,314,651	327,349	(1,391,886)	7,250,114
Buildings and improvements	4,151,722	-	-	4,151,722
Infrastructure	50,736,165	248,769	1,014,530	51,999,464
Right to use assets-leases	348,816	54,126	-	402,942
Intangibles	44,455,000	-	-	44,455,000
Total capital assets being depreciated	108,006,354	630,244	(377,356)	108,259,242
Less accumulated depreciation				
Machinery and equipment	6,821,203	216,021	(881,127)	6,156,097
Buildings and improvements	3,329,399	14,223	-	3,343,622
Infrastructure	25,771,045	1,142,630	-	26,913,675
Right to use assets-leases	282,332	56,240	-	338,572
Intangibles	8,681,568	1,500,218	-	10,181,786
Total accumulated depreciation	44,885,547	2,929,332	(881,127)	46,933,752
Net capital assets being depreciated	63,120,807	(2,299,088)	503,771	61,325,490
Total Capital Assets	$ 65,073,632	$ 2,644,121	$ (510,759)	$ 67,206,994

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

Electric	$ 543,146
Water	2,016,541
Wastewater	263,913
EMS	31,512
Sanitation	18,371
Airport	55,849
Total Business-type Activities Depreciation Expense	$ 2,929,332

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	$ 821,888	$ -	$ -	$ 821,888
Construction in progress	186,194	41,349	-	227,543
Total capital assets not being depreciated	1,008,082	41,349	-	1,049,431
Capital assets, being depreciated:				
Buildings	4,477,872	27,250	-	4,505,122
Right to use assets	56,020	96,656	(56,020)	96,656
Total capital assets being depreciated	4,533,892	123,906	(56,020)	4,601,778
Less accumulated depreciation				
Buildings	292,345	90,102	-	382,447
Right to use assets	48,018	14,447	(56,020)	6,445
Total accumulated depreciation	340,363	104,549	(56,020)	388,892
Net capital assets being depreciated	4,193,529	19,357	-	4,212,886
Total Capital Assets	$ 5,201,611	$ 60,706	$ -	$ 5,262,317

Depreciation was charged to the following activities as follows:

Lockhart EDC	$ 104,549
Total Depreciation Expense	$ 104,549

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, 2025. 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	$ 2,548,302	$ -	$ (594,978)	$ 1,953,324	$ 624,914
Certificates of Obligation	5,548,135	18,955,000	(412,595)	24,090,540	433,340
Tax notes	1,708,666	-	(325,049)	1,383,617	333,679
Less deferred amounts:					
For premiums	343,716	1,325,909	(67,036)	1,602,589	-
Total Bonds Payable	10,148,819	20,280,909	(1,399,658)	29,030,070	1,391,933
SBITA liabilities	127,202	-	(14,099)	113,103	15,328
Lease liabilities	534,607	320,354	(231,801)	623,160	242,094
Total Governmental Activities	$ 10,810,628	$ 20,601,263	$ (1,645,558)	$ 29,766,333	$ 1,649,355
		Long-term liabilities due in more than one year		$ 28,116,978	
Business-Type Activities:					
General Obligation Bonds	$ 856,696	$ -	$ (200,022)	$ 656,674	$ 210,086
Certificates of Obligation	6,486,867	-	(482,405)	6,004,462	506,660
Tax Notes	1,261,334	-	(239,950)	1,021,384	246,321
Less deferred amounts:					
For premiums	242,466	-	(32,260)	210,206	-
Total Bonds Payable	8,847,363	-	(954,637)	7,892,726	963,067
Lease liabilities	25,850	54,126	(54,152)	25,824	25,824
Notes payable	1,840,710	-	(184,913)	1,655,797	189,535
GBRA Obligations	40,875,000	-	(1,105,000)	39,770,000	1,125,000
Total Business-Type Activities	$ 51,588,923	$ 54,126	$ (2,298,702)	$ 49,344,347	$ 2,303,426
		Long-term liabilities due in more than one year		$ 47,040,921	
Component Unit Activities (LEDC):					
Lease liabilities	$ 8,754	$ 96,656	$ (14,295)	$ 91,115	$ 17,172
Revenue bonds	1,250,000	-	(100,000)	1,150,000	100,000
Total Component Unit Activities	$ 1,258,754	$ 96,656	$ (114,295)	$ 1,241,115	$ 117,172
		Long-term liabilities due in more than one year		$ 1,123,943	

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, 2025, there was $1,845,000 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, 2025, there was $37,925,000 of obligations outstanding.

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

	Governmental Activities	Business - Type Activities	Total
General Obligation Bonds:			
$6,530,000 General Obligation Refunding Bond, Series 2016, due in annual installments through August 2028, interest at 3.6%	$ 1,953,324	$ 656,674	$ 2,609,998
Total General Obligation Bonds	$ 1,953,324	$ 656,674	$ 2,609,998
Certificates of Obligation:			
$16,685,000 Certificates of Obligation, Series 2015, due in annual installments through August 2035 interest at 3.39%	$ 5,135,540	$ 6,004,462	$ 11,140,002
$18,955,000 Certificates of Obligation, Series 2025, due in annual installments through 2045, interest at 5%	18,955,000	-	18,955,000
Total Certificates of Obligation	$ 24,090,540	$ 6,004,462	$ 30,095,002
Notes Payable:			
$3,600,000 2013 State Infrastructure Bank Loan due in annual installments through June 2033, interest at 2.50%	$ -	$ 1,655,797	$ 1,655,797
Total Notes Payable	$ -	$ 1,655,797	$ 1,655,797
Tax Notes:			
$4,050,000 Limited Tax Note, Series 2022, due in annual installments through 2029, interest at 2.61%	$ 1,383,617	$ 1,021,384	$ 2,405,001
Total Tax Notes	$ 1,383,617	$ 1,021,384	$ 2,405,001
GBRA Obligations:			
$4,950,000 GBRA Revenue Bond, Series 2014, due in installments through 2030, interest at 3.45%	$ -	$ 1,845,000	$ 1,845,000
$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%	-	2,285,000	2,285,000
$2,095,000 Contract Revenue Bond, Series 2018B, due in installments through 2048, interest at 3.23%	-	1,730,000	1,730,000
$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%	-	1,470,000	1,470,000
$8,250,000 Contract Revenue Bond, Series 2020, due in installments through 2050, interest at 2.08%	-	6,920,000	6,920,000
$14,485,000 Contract Revenue Bond, Series 2021, due in installments through 2050, interest at 2.75%	-	12,165,000	12,165,000
Total GBRA Obligations	$ -	$ 39,770,000	$ 39,770,000

	Governmental Activities	Business - Type Activities	Total
Lease Liabilities:			
$322,861 lease payable for building, due in monthly installments of $5,315 to $6,218 through 2027, interest at 2.61%	$ 131,781	$ -	$ 131,781
$610,998 lease payable to Enterprise Fleet, due in monthly installments of $13,106 through 2025, interest at 1.5%	491,379	25,824	517,203
Total Lease Liabilities	$ 623,160	$ 25,824	$ 648,984
SBITA Liabilities:			
$64,352 SBITA payable to Eforce Records Management, due in annual installments of $6,862 through 2031, interest at 4.5%	$ 42,781	$ -	$ 42,781
$105,777 SBITA payable to Eforce Records License, due in annual installments of $11,966-$14,717 through 2031, interest at 4.5%	70,322	-	70,322
Total SBITA Liabilities	$ 113,103	$ -	$ 113,103
Premiums	1,602,589	210,206	1,812,795
Total Debt	$ 29,766,333	$ 49,344,347	$ 79,110,680

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%	$ 1,150,000
Total Sales Tax Reveue Bonds	$ 1,150,000
Lease liabilities:	
$96,656 lease payable for building, due in monthly installments of $5,978-$6,218 through March 2027, interest at 2.61%	$ 91,115
Total Lease Liabilities	$ 91,115
Total Debt	$ 1,241,115

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

Year ending	2015 Tax & Rev CO		2025 Tax & Rev CO		2016 GO Refunding	
September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 433,340	$ 164,594	$ -	$ 913,526	$ 624,914	$ 78,133
2027	447,170	151,594	95,000	947,750	647,366	53,136
2028	461,000	138,179	225,000	943,000	681,044	27,242
2029	493,270	124,349	720,000	931,750	-	-
2030	507,100	109,551	755,000	895,750	-	-
2031-2035	2,793,660	290,810	4,390,000	3,872,250	-	-
2036-2040	-	-	5,610,000	2,659,000	-	-
2041-2045	-	-	7,160,000	1,109,000	-	-
	$ 5,135,540	$ 979,077	$ 18,955,000	$ 12,272,026	$ 1,953,324	$ 158,511

Year ending	2022 Tax Note		Leases	
September 30,	Principal	Interest	Principal	Interest
2026	$ 333,679	$ 31,758	$ 242,094	$ 42,655
2027	339,432	22,974	198,861	25,340
2028	350,938	13,964	53,251	15,813
2029	359,568	4,692	58,920	9,602
2030	-	-	70,034	2,782
	$ 1,383,617	$ 73,389	$ 623,160	$ 96,192

Year ending	SBITA		
September 30,	Principal	Interest	Total
2026	$ 15,328	$ 5,090	$ 20,418
2027	16,630	4,400	21,030
2028	18,010	3,652	21,662
2029	19,470	2,841	22,311
2030	21,015	1,965	22,980
2031	22,650	1,019	23,669
Total	$ 113,103	$ 18,967	$ 132,070

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 $106,391.

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 $106,391.

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

Year ending	2015 Tax & Rev CO		2016 GO Refunding		2022 Tax Note	
September 30,	Principal	Interest	Principal	Interest	Principal	Interest
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	228,954	9,158	259,062	10,309
2029	576,730	145,389	-	-	265,433	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	-	-	-	-
	$ 6,004,462	$ 1,144,735	$ 656,674	$ 53,289	$ 1,021,384	$ 54,176

Year ending	State Infrastructure Loan		Leases	
September 30,	Principal	Interest	Principal	Interest
2026	$ 189,535	$ 41,395	$ 25,824	$ 365
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	225,297	5,632	-	-
	$ 1,655,797	$ 191,640	$ 25,824	$ 365

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 $64,370.

Year ending September 30,	Guadelupa-Blanco River Authority		
	Principal	Interest	Total
2026	$ 1,125,000	$ 1,121,587	$ 1,676,666
2027	1,140,000	1,102,995	1,680,790
2028	1,165,000	1,082,839	1,678,995
2029	1,185,000	1,061,242	1,681,122
2030	1,205,000	1,038,043	1,682,354
2031-2035	4,280,000	4,958,459	1,677,396
2036-2040	5,825,000	4,473,644	1,273,454
2041-2045	9,245,000	3,401,223	1,280,093
2046-2050	10,200,000	1,823,633	1,275,529
2051-2054	4,400,000	351,721	1,280,100
	$ 39,770,000	$ 20,415,385	$ 15,186,498

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

Year ending September 30,	Leases	
	Principal	Interest
2026	$ 17,172	$ 2,176
2027	18,411	1,713
2028	19,711	1,217
2029	21,078	686
2030	14,743	145
	$ 91,115	$ 5,937

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 $90,211.

Year ending September 30,	2020 Sales Tax and Revenue Bonds	
	Principal	Interest
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
2031-2035	610,000	46,067
	$ 1,150,000	$ 162,282

G. Other Long-term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities:					
Compensated absences	$ 745,309	$ 795,847	$ (670,778)	$ 870,378	$ 783,340
Total Governmental Activities	$ 745,309	$ 795,847	$ (670,778)	$ 870,378	$ 783,340
Other long-term liabilities due in more than one year				$ 87,038	
Business-Type Activities:					
Compensated absences	$ 122,065	$ 146,959	$ (109,859)	$ 159,166	$ 143,249
Total Business-Type Activities	$ 122,065	$ 146,959	$ (109,859)	$ 159,166	$ 143,249
Other long-term liabilities due in more than one year				$ 15,917	
EDC Activities:					
Compensated absences	$ 1,587	$ 3,198	$ (1,428)	$ 3,357	$ 3,021
Total Business-Type Activities	$ 1,587	$ 3,198	$ (1,428)	$ 3,357	$ 3,021
Other long-term liabilities due in more than one year				$ 336	

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 $93,769 and $65,792, respectively. Current year amortization expense for governmental and business-type activities totaled $23,442 and $16,448, respectively.

I. Interfund Transactions

The compositions of interfund advances to/from balances as of the year ended September 30, 2025 were as follows:

	Due from:		
Due to:	**General Fund**	**Wastewater Fund**	**Total**
Electric	$ 2,727,972	$ 26,193	$ 2,754,165
Water	1,235,479	374,058	1,609,537
Wastewater	15,294	-	15,294
Nonmajor govt.	238,128	-	238,128
Total	$ 4,216,873	$ 400,251	$ 4,617,124

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.

The LEDC recorded a total payable of $79,220 to the general fund during the year.

Transfers between the primary government during the 2025 year were as follows:

	Transfers Out:						
Transfers In:	**General**	**Electric**	**Water**	**Wastewater**	**Nonmajor governmental**	**Nonmajor bus.-type**	**Total**
General	$ -	$ 2,390,930	$ 298,136	$ 755,605	$ 550,000	$ 471,509	$ 4,466,180
Nonmajor govt	58,447	-	-	246,520	132,143	-	437,110
Water	-	-	-	532,787	-	-	532,787
Total	$ 58,447	$ 2,390,930	$ 298,136	$ 1,534,912	$ 682,143	$ 471,509	$ 5,436,077

Transfers between funds were primarily to support debt service requirements and operation of funds.

V. OTHER INFORMATION

A. Risk Management

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

B. Contingent Liabilities

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

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

C. Commitments

Water Purchase Commitment

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

D. Pension Plans

Texas Municipal Retirement Systems

Plan Description

The City of Lockhart, Texas participates as one of 938 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code

(the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

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

Benefits Provided

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

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

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

Plan provisions for the City were as follows:

	Plan Year 2024	Plan Year 2023
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 Retroactive Repeating	70% of CPI Repeating

Employees covered by benefit terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	114
Inactive employees entitled to but not yet receiving benefits	160
Active employees	151
Total	425

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 13.06% and 14.17% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were $1,337,697, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2024, 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, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.60% to 11.85% 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 110% of the Public Safety table used for males and 100% of 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 the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are 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 mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the 3.5% and 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 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, Gabriel, Roeder, Smith & Company (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 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	6.7%
Core Fixed Income	6.0%	4.7%
Non-Core Fixed Income	20.0%	8.0%
Other Public/Private Markets	12.0%	8.0%
Real Estate	12.0%	7.6%
Hedge Funds	5.0%	6.4%
Private Equity	10.0%	11.6%
Total	100.0%	

Discount Rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Of the total pension liability, $3,770,224 is related to the primary government, and $61,697 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 12/31/23	$ 43,107,349	$ 38,291,146	$ 4,816,203	$ 4,738,659	$ 77,544
Changes for the year:					
Service cost	1,370,951	-	1,370,951	1,348,877	22,074
Interest	2,881,842	-	2,881,842	2,835,442	46,400
Change in benefit terms	-	-	-	-	-
Difference between expected and actual experience	500,647	-	500,647	492,586	8,061
Changes of assumptions	-	-	-	-	-
Contributions – employer	-	1,228,027	(1,228,027)	(1,208,255)	(19,772)
Contributions – employee	-	564,178	(564,178)	(555,094)	(9,084)
Net investment income(loss)	-	3,971,631	(3,971,631)	(3,907,684)	(63,947)
Benefit payments, including refunds of emp. contributions	(2,197,725)	(2,197,725)	-	-	-
Administrative expense	-	(25,516)	25,516	25,105	411
Other changes	-	(598)	598	587	11
Net changes	2,555,715	3,539,997	(984,282)	(968,435)	(15,847)
Balance at 12/31/24	$ 45,663,064	$ 41,831,143	$ 3,831,921	$ 3,770,224	$ 61,697

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

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

1% Decrease 5.75%	Current Single Rate 6.75%	1% Increase 7.75%
$ 9,902,176	$ 3,770,224	$ (1,237,174)

Component Unit

1% Decrease 5.75%	Current Single Rate 6.75%	1% Increase 7.75%
$ 162,043	$ 61,697	$ (20,246)

Total

1% Decrease 5.75%	Current Single Rate 6.75%	1% Increase 7.75%
$ 10,064,219	$ 3,831,921	$ (1,257,420)

Pension Plan Fiduciary Net Position:

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

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

For the year ended September 30, 2025, the City recognized pension expense of $1,166,262. Of this amount, $1,147,484 is related to the primary government and $18,778 is attributable to the discretely presented component unit.

At September 30, 2025, 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	$ -	$ (372,985)
Change in assumptions	-	(127,642)
Differences between expected and actual economic experience	251,681	-
Contributions subsequent to the measurement date	948,677	-
Component Units:		
Difference between projected and actual investment earnings	-	(6,104)
Change in assumptions	-	(2,089)
Differences between expected and actual economic experience	4,119	-
Contributions subsequent to the measurement date	15,524	-
Total	$ 1,220,001	$ (508,820)

The primary government and component units reported $948,677 and $15,524, 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, 2026.

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

Year ended December 31:	Primary Government	Discretely Presented Component Units	Total
2025	$ 40,377	$ 661	$ 41,038
2026	588,060	9,623	597,683
2027	(604,451)	(9,891)	(614,342)
2028	(272,933)	(4,466)	(277,399)
2029	-	-	-
Thereafter	-	-	-
	$ (248,946)	$ (4,074)	$ (253,020)

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, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	**78**
Inactive employees entitled to but not yet receiving benefits	27
Active employees	151
Total	256

The City's contributions to the TMRS SDBF for the years ended 2025, 2024, and 2023 were $16,715, $15,319, and $10,839, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates

(RETIREE-only portion of the rate)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2023	0.15%	0.15%	100.0%
2024	0.18%	0.18%	100.0%
2025	0.17%	0.17%	100.0%

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2024, 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, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.60% to 11.85%, including inflation per year
Discount rate	4.08%
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 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements. For disabled annuitants, the mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females. The rates are projected on a fully generational basis by the most recent Scale MP=2021 (with immediate convergence) to account for future mortality improvements subject to the 3.5% and 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 4.08%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2024.

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 4.08%, 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 (3.08%) or 1-percentage-point higher (5.08%) than the current rate:

1% Decrease	Current Single Rate	1% Increase
3.08%	4.08%	5.08%
$ 538,906	$ 458,109	$ 394,210

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/23	$ 448,005
Changes for the year:	
Service Cost	18,809
Interest	16,925
Difference between expected and actual experience	14,161
Changes of assumptions	(22,866)
Benefit payments	(16,925)
Net changes	10,104
Balance at 12/31/24	$ 458,109

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

For the year ended September 30, 2025, the City recognized OPEB expense for the SDBF of $10,205. Total aggregate OPEB expense was $24,333 including the healthcare benefit OPEB discussed in the subsequent section.

At September 30, 2025, the City reported deferred outflows and 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	$ 7,017	$ -
Changes in assumptions and other inputs	-	(83,662)
Contributions subsequent to measurement date	11,569	-
Total	$ 18,586	$ (83,662)

The City reported $11,569 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, 2026.

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

Year ended December 31:	
2026	$ (34,567)
2027	(35,186)
2028	(5,807)
2029	(1,085)
2030	-
Thereafter	-
	$ (76,645)

Retiree Health Benefit Plan

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

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

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, 2024 and measured as of September 30, 2025 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 2024 actuarial valuation for the development of the GASB 75 disclosures related to OPEB benefits for the year ended September 30, 2025.

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

The following is a summary of the actuarial assumptions:

Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level Percent-of-Payroll
Asset Valuation Method	N/A
Discount Rate	4.06%
Inflation Rate	2.50%
Salary Growth	3.50%
Healthcare Cost Trend Rate (Initial/Ultimate)	4.50% for medical

At the September 30, 2024 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, 2024 valuation date, the following employees were covered by the benefit terms:

Status	**Employee**	**Employee & Spouse**
Inactive employees or beneficiaries currently receiving benefits	4	0
Active employees	30	6
Total	**34**	**6**

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.06%. The discount rate was based on the Bond Buyer GO Bond 20 Year Index rate as of September 30, 2024, 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 4.06%, 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 (3.06%) or 1-percentage-point higher (5.06%) than the current rate:

1% Decrease 3.06%	Current Single Rate 4.06%	1% Increase 5.06%
$ 325,545	$ 347,690	$ 371,682

Healthcare Cost Trend

1% Decrease 3.50%	Current Healthcare Cost Trend 4.50%	1% Increase 5.50%
$ 322,091	$ 347,690	$ 376,659

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 9/30/2023	$ 353,551
Changes for the year:	
Service Cost	5,631
Interest	14,064
Benefit payments	(25,557)
Net changes	(5,861)
Balance at 9/30/2024	$ 347,690

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

For the year ended September 30, 2025, the City recognized OPEB expense for the health benefit plan of $14,128.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Inflows of Resources
Difference between expected and actual experience	$ (14,723)
Change in assumptions	(15,122)
Total	$ (29,845)

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

Year ended September 30:	
2026	$ (8,156)
2027	(12,208)
2028	(7,759)
2029	(1,722)
2030	-
Thereafter	-
	$ (29,845)

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, 2025:

$13,885 of real property and personal property taxes was rebated to a manufacturing company that commercializes fiber reactor technology to enhance and improve manufacturing environments by increasing the efficiency of existing refining operations utilizing two-phase chemistry.

The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities. The City has chosen to disclose information about its tax abatement agreements

individually. It established a quantitative threshold of 100% percent of the total dollar amount of taxes abated during the year.

G. Restatement

The City restated beginning net position for the EMS fund and business-type activities to adjust prior year accrued payables. In addition, the City restated beginning net position for the governmental activities to account for the new acct. standard – GASB 101, *Compensated Absences*. The restatements are as follows:

	Governmental Activities	Buisness-Type Activities	Business-Type Nonmajor
Prior year ending net position, as reported	$ 36,418,436	$ 33,404,189	3,164,586
Restatements for accrued payables	-	(57,612)	(57,612)
Restatements for new acct. standard-GASB 101, *Compensated Absences*	(167,457)	-	-
Restated beginning net position	$ 36,250,979	$ 33,346,577	$ 3,106,974

H. New Accounting Pronouncements

The City adopted GASB 101, *Compensated Absences* during the year. The goal of the standard is to create a more consistent model for accounting for compensated absences that can be applied to all types of compensated absence arrangements.

The new guidance introduces three criteria for recording a liability in financial statements prepared using the economic resources measurement focus (often referred to as a "full accrual" basis). A liability should be recognized for leave that has not been used if all of the following are true:

- The leave is attributable to services already rendered.
- The leave accumulates.
- The leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means (likelihood of more than 50 percent).

This standard was applied retroactively and resulted in a sick leave liability of $129,883 as of September 30, 2025.

I. Related Party Transactions

During the year ended September 30, 2025, the City had the following transactions with related parties of the City:

- Council member Jeffery Michelson is a member of the Board of Directors of First Lockhart National Bank, depository for the City. Mr. Michelson abstains from voting on all matters involving the banking institution.

J. Sale of EMS Assets

In January 2025, the City entered into an Asset Purchase and Sale Agreement with Caldwell County Emergency Services District No. 5 to transfer ownership of Emergency Medical Services (EMS) operational assets.

Under the agreement, the City agreed to sell specified EMS-related personal property, including ambulances, vehicles, and medical equipment, for a total purchase price of $381,018, payable at closing on January 31, 2025.

In addition to the purchase price, the buyer will assume and pay directly to the vendor the remaining balance of $217,975 related to one ambulance (Medic 6). Medicine and consumable supplies on hand as of February 1, 2025 will be purchased separately at a price to be determined at that time.

The transaction represents a sale of assets only. The ESD did not assume any other liabilities of the City related to EMS operations. Both parties provided customary representations and warranties, and indemnification provisions are included in the agreement.

K. Subsequent Events

There were no subsequent events through March 17, 2026, the date the financial statements were issued.

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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, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	
Revenues				
Property tax	$ 5,885,600	$ 6,279,835	$ 394,235	
Sales tax	3,006,935	3,284,944	278,009	
Franchise and local taxes	401,631	396,051	(5,580)	
License and permits	891,630	308,495	(583,135)	
Charges for services	91,800	695,752	603,952	
Intergovernmental	617,969	130,306	(487,663)	
Fines and forfeitures	251,500	503,642	252,142	
Investment income	350,000	585,702	235,702	
Other revenue	53,950	93,710	39,760	
Total Revenues	11,551,015	12,278,437	727,422	
Expenditures				
Current:				
General government	2,057,344	2,511,288	(453,944)	
Public safety	8,201,757	8,229,238	(27,481)	
Public works	2,211,318	5,552,959	(3,341,641)	
Health and welfare	15,894	28,920	(13,026)	
Culture and recreation	1,518,803	1,678,071	(159,268)	
Community development	1,896,096	1,238,878	657,218	
Debt Service:				
Principal	-	245,900	(245,900)	
Interest and fiscal charges	-	38,926	(38,926)	
Capital outlay	-	2,979,583	(2,979,583)	
Total Expenditures	15,901,212	22,503,763	(6,602,551)	*
Revenues Over (Under) Expenditures	(4,350,197)	(10,225,326)	(5,875,129)	

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, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	
Other Financing Sources (Uses)				
Lease issuance	$ -	$ 320,354	$ 320,354	
Sale of assets	25,000	201	(24,799)	
Transfers in	4,459,991	4,466,180	6,189	
Transfers (out)	(65,000)	(58,447)	6,553	
Total Other Financing Sources (Uses)	4,419,991	4,728,288	308,297	*
Net Change in Fund Balance	$ 69,794	(5,497,038)	$ (5,566,832)	
Beginning fund balance		14,426,095		
Ending Fund Balance		$ 8,929,057		

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.
2. Total expenditures (including transfers out) exceeded appropriations at the legal level of control

City of Lockhart, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended:

	12/31/2024	12/31/2023	12/31/2022	12/31/2021
Total pension liability				
Service cost	$ 1,370,951	$ 1,003,200	$ 1,019,640	$ 1,005,010
Interest	2,881,842	2,800,841	2,695,766	2,527,075
Differences between expected and actual experience	500,647	(193,699)	57,152	850,154
Changes of assumptions	-	(414,853)	-	-
Benefit payments, including refunds of participant contributions	(2,197,725)	(2,160,970)	(2,254,366)	(1,526,480)
Net change in total pension liability	2,555,715	1,034,519	1,518,192	2,855,759
Total pension liability - beginning	43,107,349	42,072,830	40,554,638	37,698,879
Total pension liability - ending (a)	$ 45,663,064	$ 43,107,349	$ 42,072,830	$ 40,554,638
Plan fiduciary net position				
Contributions - employer	$ 1,228,027	$ 958,429	$ 953,882	$ 950,147
Contributions - members	564,178	455,310	464,176	457,169
Net investment income	3,971,631	4,048,327	(2,821,822)	4,474,872
Benefit payments, including refunds of participant contributions	(2,197,725)	(2,160,970)	(2,254,366)	(1,526,480)
Administrative expenses	(25,516)	(25,782)	(24,426)	(20,710)
Other	(598)	(180)	29,148	142
Net change in plan fiduciary net position	3,539,997	3,275,134	(3,653,408)	4,335,140
Plan fiduciary net position - beginning	38,291,146	35,016,012	38,669,420	34,334,280
Plan fiduciary net position - ending (b)	$ 41,831,143	$ 38,291,146	$ 35,016,012	$ 38,669,420
Fund's net pension liability - ending (a) - (b)	$ 3,831,921	$ 4,816,203	$ 7,056,818	$ 1,885,218
Plan fiduciary net position as a percentage of the total pension liability	91.61%	88.83%	83.23%	95.35%
Covered payroll	$ 9,402,959	$ 7,588,505	$ 7,736,270	$ 7,619,481
Fund's pension liability as a percentage of covered payroll	40.75%	63.47%	91.22%	24.74%

12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
$ 961,008	$ 908,475	$ 861,176	$ 803,650	$ 809,909	$ 755,292
2,392,058	2,267,377	2,158,275	2,050,665	1,924,544	1,840,606
193,047	(28,525)	(144,312)	(95,374)	213,804	541,546
-	94,975	-	-	-	143,888
(1,609,242)	(1,233,643)	(1,331,302)	(1,055,658)	(1,097,681)	(1,084,811)
1,936,871	2,008,659	1,543,837	1,703,283	1,850,576	2,196,521
35,762,008	33,753,349	32,209,512	30,506,229	28,655,653	26,459,132
$ 37,698,879	$ 35,762,008	$ 33,753,349	$ 32,209,512	$ 30,506,229	$ 28,655,653
$ 933,321	$ 884,655	$ 848,460	$ 779,767	$ 708,591	$ 721,903
437,153	408,304	385,314	358,239	358,731	352,824
2,439,599	4,299,655	(862,453)	3,497,425	1,599,743	34,935
(1,609,242)	(1,233,643)	(1,331,302)	(1,055,658)	(1,097,681)	(1,084,811)
(15,791)	(24,299)	(16,669)	(18,124)	(18,076)	(21,283)
(616)	(730)	(872)	(918)	(974)	(1,051)
2,184,424	4,333,942	(977,522)	3,560,731	1,550,334	2,517
32,149,856	27,815,914	28,793,436	25,232,705	23,682,371	23,679,854
$ 34,334,280	$ 32,149,856	$ 27,815,914	$ 28,793,436	$ 25,232,705	$ 23,682,371
$ 3,364,599	$ 3,612,152	$ 5,937,435	$ 3,416,076	$ 5,273,524	$ 4,973,282
91.08%	89.90%	82.41%	89.39%	82.71%	82.64%
$ 7,285,883	$ 6,805,058	$ 6,421,896	$ 5,970,653	$ 5,937,749	$ 5,730,595
46.18%	53.08%	92.46%	57.21%	88.81%	86.78%

City of Lockhart, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Actuarially determined employer contributions	$ 1,337,697	$ 1,152,717	$ 944,606	$ 946,174
Contributions in relation to the actuarially determined contribution	$ 1,337,697	$ 1,152,717	$ 944,606	$ 946,174
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Annual covered payroll	$ 9,664,369	$ 8,904,053	$ 7,533,848	$ 7,648,561
Employer contributions as a percentage of covered payroll	13.84%	12.95%	12.54%	12.37%

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	21 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed fair value; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% 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 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are bultiplied by 103% and femaile rates are multiplied by 105%. The rates are projected on a fully generational basis with the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence)

Other Information:

Notes	There were no benefit changes during the year.

	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
	$ 941,155	$ 896,545	$ 872,807	$ 829,948	$ 754,327	$ 734,637
	$ 941,155	$ 896,545	$ 872,807	$ 829,948	$ 754,327	$ 734,637
	$ -	$ -	$ -	$ -	$ -	$ -
	$ 7,490,384	$ 6,972,445	$ 6,687,118	$ 6,300,160	$ 5,911,532	$ 6,129,529
	12.56%	12.86%	13.05%	13.17%	12.76%	11.99%

City of Lockhart, Texas

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

TEXAS MUNICIPAL RETIREMENT SYSTEM

SUPPLEMENTAL DEATH BENEFITS PLAN

Years Ended:

	[1] 12/31/2024	12/31/2023	12/31/2022	12/31/2021
Total OPEB liability				
Service cost	$ 18,809	$ 13,659	$ 29,398	$ 28,954
Interest	16,925	16,846	10,714	10,983
Differences between expected and actual experience	14,161	(7,404)	7,532	(13,022)
Changes of assumptions	(22,866)	21,476	(195,401)	16,765
Benefit payments	(16,925)	(11,382)	(10,057)	(11,429)
Net changes	10,104	33,195	(157,814)	32,251
Total OPEB liability - beginning	448,005	414,810	572,624	540,373
Total OPEB liability - ending	[2] $ 458,109	$ 448,005	$ 414,810	$ 572,624
Covered employee payroll	$ 9,402,959	$ 7,588,505	$ 7,736,270	$ 7,619,481
Fund's net position as a percentage of covered employee payroll	4.87%	5.90%	5.36%	7.52%

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.

12/31/2020	12/31/2019	12/31/2018	12/31/2017
$ 23,315	$ 17,693	$ 19,266	$ 15,524
13,308	14,621	13,571	13,276
(36,363)	(18,892)	(17,158)	-
70,035	77,468	(27,464)	31,482
(4,372)	(3,403)	(3,211)	(3,582)
65,923	87,487	(14,996)	56,700
474,450	386,963	401,959	345,259
$ 540,373	$ 474,450	$ 386,963	$ 401,959
$ 7,285,883	$ 6,805,058	$ 6,421,896	$ 5,970,653
7.42%	6.97%	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] 9/30/2025	9/30/2024	9/30/2023	9/30/2022
Total OPEB liability				
Service cost	$ 5,632	$ 6,779	$ 6,779	$ 13,045
Interest	14,064	17,980	17,980	9,628
Differences between expected and actual experience	-	(44,768)	-	38,165
Changes of assumptions	-	16,180	-	(81,547)
Benefit payments	(25,557)	(25,558)	(23,980)	(23,980)
Net changes	(5,861)	(29,387)	779	(44,689)
Total OPEB liability - beginning	353,551	382,938	382,159	426,848
Total OPEB liability - ending	[2] $ 347,690	$ 353,551	$ 382,938	$ 382,159
Covered employee payroll	$ 2,067,177	$ 2,067,177	$ 2,950,019	$ 2,950,019
Fund's net position as a percentage of covered employee payroll	16.82%	17.10%	12.98%	12.95%

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.

9/30/2021	9/30/2020	9/30/2019	9/30/2018
$ 13,045	$ 11,786	$ 11,786	$ 11,326
9,754	15,971	15,460	15,641
-	(9,846)	-	-
-	53,744	-	-
(32,804)	(32,804)	(20,086)	(20,086)
(10,005)	38,851	7,160	6,881
436,853	398,002	390,842	383,961
$ 426,848	$ 436,853 [2]	$ 398,002 [2]	$ 390,842
$ 3,307,156	$ 3,307,156	$ 3,778,438	$ 3,778,438
12.91%	13.21%	10.53%	10.34%

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND

This fund is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of governmental funds.

RADIO TOWER EQUIPMENT REPLACEMENT

This fund is used to account for funding received and expenditures used for the replacement of radio tower equipment.

FORFIETED PROPERTY

This fund is used to account for forfeitures for use in the Police Department.

HOTEL/MOTEL TAX

This fund is used to account for revenues and expenditures of the hotel/motel tax receipts as specified by state statute.

LEOSE FUND

This fund is used to account for LEOSE grants received for use in the Police Department.

ROAD IMPACT FEES #1

This fund is used to account for road impact fees collected and expenditures used on roadway construction impacted by development.

ROAD IMPACT FEES #2

This fund is used to account for road impact fees collected and expenditures used on roadway construction impacted by development.

COURT TECHNOLOGY

This fund is used to account for funds collected in association with the portion of the court fees which are restricted for use on court technology.

RADIO SYSTEM MAINTENANCE

This fund is used to account for funding received and expenditures used for the radio system maintenance.

COURT SECURITY

This fund is used to account for funds collected in association with the portion of the fees which are restricted for use on court security.

CHILD SAFETY

This fund is used to account for funds collected in association with the portion of the fees which are restricted for use in child safety.

COURT EFFICIENCY

This fund is used to account for funds collected in association with the portion of the fees which are restricted for use on court efficiency.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

JUVENILE CASE MANAGER

This fund is used to account for funds collected in association with the portion of the fees which are restricted for use on costs associated with juvenile case manager.

TRUANCY COURT

This fund is used to account for funds collected in association with the portion of the fees which are restricted for use on truancy court.

LOCAL MUNICIPAL JURY

This fund is used to account for funds collected in association with the portion of the fees which are restricted for use on local municipal jury.

CABLE EDUCATION

This fund is used to account for funds collected Public, Educational, and Governmental (PEG) fees for use for capital expenditures related to the operation of public, educational, and governmental television channels.

TRANSPORTATION

This fund is used to account for transportation fees collected and expenditures used on roads impacted by commercial activities.

CARES RELIEF ACT

This fund is used to account for funds received from U.S. Department of Treasury for various qualified expenditures associated with the American Relief and Recovery Act Grant.

CLEARFORK SECTION 1 SIDEWALK

This fund is used to track funds related to the Clearfork Section 1 Sidewalk project.

MAPLE 2201 TRAIL PROJECT

This fund is used to track funds related to the Maple 2201 Trail Project.

2015 CERTIFICATES OF OBLIGATION

This fund is used to track funds related to the series 2015 Certificates of Obligation.

MAPLE STREET PARK IMPROVEMENTS

This fund is used to track funds related to the Maple Street Park Improvements.

City of Lockhart, Texas

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2025

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
Assets				
Cash and cash equivalents	$ 1,764,913	$ 6,367,761	$ 428,121	$ 8,560,795
Accounts receivable	141,978	201,078	-	343,056
Prepaid	-	24,289	-	24,289
Total Assets	$ 1,906,891	$ 6,593,128	$ 428,121	$ 8,928,140
Liabilities				
Accounts payable	$ -	$ 72,569	$ 229,821	$ 302,390
Accrued liabilities	-	-	40,553	40,553
Due to other funds	-	238,128	-	238,128
Total Liabilities	-	310,697	270,374	581,071
Deferred Inflows/Outflows				
Unavailable revenue-tax	141,979	-	-	141,979
Unavailable revenue-fines	-	8,479	-	8,479
Total Deferred Inflows	141,979	8,479	-	150,458
Fund Balances				
Nonspendable:				
Prepaids	-	24,289	-	24,289
Restricted for:				
Debt service	1,764,912	-	-	1,764,912
General government	-	95,689	-	95,689
Public safety	-	25,392	-	25,392
Municipal court	-	181,650	-	181,650
Tourism	-	87,496	-	87,496
Capital projects	-	6,049,924	157,747	6,207,671
Unassigned	-	(190,488)	-	(190,488)
Total Fund Balances	1,764,912	6,273,952	157,747	8,196,611
Total Liabilities, Deferred Inflows and Fund Balances	$ 1,906,891	$ 6,593,128	$ 428,121	$ 8,928,140

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, 2025

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
Revenues				
Property tax	$ 2,160,480	$ -	$ -	$ 2,160,480
Hotel occupancy tax	-	220,902	-	220,902
Fines and forfeitures	-	32,718	-	32,718
License and permits	-	368,834	-	368,834
Charges for services	-	758,836	-	758,836
Intergovernmental	24,255	132,843	-	157,098
Investment income	78,815	238,999	34,284	352,098
Total Revenues	2,263,550	1,753,132	34,284	4,050,966
Expenditures				
General government	-	303,532	-	303,532
Public safety	-	246,188	-	246,188
Public works	-	2,687	-	2,687
Culture and recreation	-	1,262	-	1,262
Debt service:				
Principal	1,332,622	-	-	1,332,622
Interest	332,560	-	-	332,560
Capital outlay	-	283,093	926,983	1,210,076
Total Expenditures	1,665,182	836,762	926,983	3,428,927
Revenues Over (Under) Expenditures	598,368	916,370	(892,699)	622,039
Other Financing Sources (Uses)				
Transfers in	378,663	58,447	-	437,110
Transfers (out)	-	(682,143)	-	(682,143)
Total Other Financing Sources (Uses)	378,663	(623,696)	-	(245,033)
Net Change in Fund Balances	977,031	292,674	(892,699)	377,006
Beginning fund balances	787,881	5,981,278	1,050,446	7,819,605
Ending Fund Balances	$ 1,764,912	$ 6,273,952	$ 157,747	$ 8,196,611

See Notes to Financial Statements.

City of Lockhart, Texas

COMBINING BALANCE SHEET (Page 1 of 2)

NONMAJOR SPECIAL REVENUE FUNDS

September 30, 2025

	Radio Tower Equipment Replacement	Forfeited Property	Hotel/ Motel Tax	LEOSE Fund
Assets				
Cash and cash equivalents	$ 3,287	$ 12,273	$ 69,462	$ 13,119
Accounts receivable	-	-	25,613	-
Prepaid	-	-	-	-
Total Assets	$ 3,287	$ 12,273	$ 95,075	$ 13,119
Liabilities				
Accounts payable and accrued liab.	$ -	$ -	$ -	$ -
Due to other funds	-	-	7,579	-
Total Liabilities	-	-	7,579	-
Deferred Inflows				
Unavailable revenue-fines and fees	-	-	-	-
Total Deferred Inflows	-	-	-	-
Fund Balances				
Nonspendable:				
Prepaids	-	-	-	-
Restricted for:				
General government	-	-	-	-
Public safety	-	12,273	-	13,119
Municipal court	-	-	-	-
Tourism	-	-	87,496	-
Capital projects	3,287	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	3,287	12,273	87,496	13,119
Total Liabilities, Deferred Inflows, and Fund Balances	$ 3,287	$ 12,273	$ 95,075	$ 13,119

See Notes to Financial Statements.

Road Impact Fees #1	Road Impact Fees #2	Court Technology	Radio System Maintenance	Court Security
$ 2,635,027	$ 1,882,703	$ -	$ -	$ 7,081
-	-	1,708	-	1,947
-	-	13,116	11,173	-
$ 2,635,027	$ 1,882,703	$ 14,824	$ 11,173	$ 9,028
$ -	$ -	$ 2,775	$ 814	$ -
-	-	26,520	84,464	-
-	-	29,295	85,278	-
-	-	1,708	-	1,947
-	-	1,708	-	1,947
-	-	13,116	11,173	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	7,081
-	-	-	-	-
2,635,027	1,882,703	-	-	-
-	-	(29,295)	(85,278)	-
2,635,027	1,882,703	(16,179)	(74,105)	7,081
$ 2,635,027	$ 1,882,703	$ 14,824	$ 11,173	$ 9,028

City of Lockhart, Texas

COMBINING BALANCE SHEET (Page 2 of 2)

NONMAJOR SPECIAL REVENUE FUNDS

September 30, 2025

	Child Safety	Court Efficiency	Juvenile Case Manager	Truancy Court
Assets				
Cash and cash equivalents	$ 55,754	$ 23,520	$ 81,435	$ 13,214
Accounts receivable	810	1,726	2,132	121
Prepaid	-	-	-	-
Total Assets	$ 56,564	$ 25,246	$ 83,567	$ 13,335
Liabilities				
Accounts payable and accrued liab.	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows				
Unavailable revenue-fines and fees	810	1,726	2,132	121
Total Deferred Inflows	810	1,726	2,132	121
Fund Balances				
Nonspendable:				
Prepaids	-	-	-	-
Restricted for:				
General government	-	-	-	-
Public safety	-	-	-	-
Municipal court	55,754	23,520	81,435	13,214
Tourism	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	55,754	23,520	81,435	13,214
Total Liabilities, Deferred Inflows, and Fund Balances	$ 56,564	$ 25,246	$ 83,567	$ 13,335

See Notes to Financial Statements.

Local Municipal Jury	Cable Education	Transportation	Drainage	CARES Relief Act	Total Special Revenue Funds
$ 646	$ 88,030	$ 539,496	$ -	$ 942,714	$ 6,367,761
35	25,314	98,022	43,650	-	201,078
-	-	-	-	-	24,289
$ 681	$ 113,344	$ 637,518	$ 43,650	$ 942,714	$ 6,593,128
$ -	$ 17,655	$ -	$ -	$ 51,325	$ 72,569
-	-	-	119,565	-	238,128
-	17,655	-	119,565	51,325	310,697
35	-	-	-	-	8,479
35	-	-	-	-	8,479
-	-	-	-	-	24,289
-	95,689	-	-	-	95,689
-	-	-	-	-	25,392
646	-	-	-	-	181,650
-	-	-	-	-	87,496
-	-	637,518	-	891,389	6,049,924
-	-	-	(75,915)	-	(190,488)
646	95,689	637,518	(75,915)	891,389	6,273,952
$ 681	$ 113,344	$ 637,518	$ 43,650	$ 942,714	$ 6,593,128

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, 2025

	Radio Tower Equipment Replacement	Forfeited Property	Hotel/ Motel Tax	LEOSE Fund
Revenues				
Hotel occupancy tax	$ -	$ -	$ 178,817	$ -
Fines and forfeitures	-	-	-	-
License and permits	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	4,608
Investment income	155	566	6,618	796
Total Revenues	155	566	185,435	5,404
Expenditures				
General government	-	-	248,750	-
Public safety	117	-	-	11,247
Public works	-	-	-	-
Culture and recreation	-	-	1,262	-
Capital outlay	-	-	-	-
Total Expenditures	117	-	250,012	11,247
Revenues Over (Under) Expenditures	38	566	(64,577)	(5,843)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	38	566	(64,577)	(5,843)
Beginning fund balances	3,249	11,707	152,073	18,962
Ending Fund Balances	$ 3,287	$ 12,273	$ 87,496	$ 13,119

See Notes to Financial Statements.

Road Impact Fees #1	Road Impact Fees #2	Court Technology	Radio System Maintenance	Court Security
$ -	$ -	$ -	$ -	$ -
-	-	4,872	-	10,726
154,814	214,020	-	-	-
-	-	-	-	-
-	-	-	128,235	-
118,012	79,882	-	-	2
272,826	293,902	4,872	128,235	10,728
-	-	12,180	-	-
-	-	-	234,212	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	12,180	234,212	-
272,826	293,902	(7,308)	(105,977)	10,728
-	-		58,447	-
-	-	-	-	-
-	-	-	58,447	-
272,826	293,902	(7,308)	(47,530)	10,728
2,362,201	1,588,801	(8,871)	(26,575)	(3,647)
$ 2,635,027	$ 1,882,703	$ (16,179)	$ (74,105)	$ 7,081

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, 2025

	Child Safety	Court Efficiency	Juvenile Case Manager	Truancy Court
Revenues				
Franchise and local taxes	$ -	$ -	$ -	$ -
Fines and forfeitures	1,530	4,478	9,513	1,421
License and permits	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	2,528	979	3,546	577
Total Revenues	4,058	5,457	13,059	1,998
Expenditures				
General government	-	-	-	-
Public safety	-	-	612	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	612	-
Revenues Over (Under) Expenditures	4,058	5,457	12,447	1,998
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	4,058	5,457	12,447	1,998
Beginning fund balances	51,696	18,063	68,988	11,216
Ending Fund Balances	$ 55,754	$ 23,520	$ 81,435	$ 13,214

See Notes to Financial Statements.

Local Municipal Jury	Cable Education	Transportation	Drainage	CARES Relief Act	Total Special Revenue Funds
$ -	$ 42,085	$ -	$ -	$ -	$ 220,902
178	-	-	-	-	32,718
-	-	-	-	-	368,834
-	-	525,273	233,563	-	758,836
-	-	-	-	-	132,843
-	3,674	21,664	-	-	238,999
178	45,759	546,937	233,563	-	1,753,132
-	42,602	-	-	-	303,532
-	-	-	-	-	246,188
-	-	-	2,687	-	2,687
-	-	-	-	-	1,262
-	-	-	-	283,093	283,093
-	42,602	-	2,687	283,093	836,762
178	3,157	546,937	230,876	(283,093)	916,370
-	-	-	-	-	58,447
-	-	(400,000)	(282,143)	-	(682,143)
-	-	(400,000)	(282,143)	-	(623,696)
178	3,157	146,937	(51,267)	(283,093)	292,674
468	92,532	490,581	(24,648)	1,174,482	5,981,278
$ 646	$ 95,689	$ 637,518	$ (75,915)	$ 891,389	$ 6,273,952

City of Lockhart, Texas

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECT FUNDS

September 30, 2025

	Clearfork Section 1 Sidewalk	Maple 2201 Trail Project	2015 Certificates of Obligation
Assets			
Cash and cash equivalents	$ 34,491	$ 15,000	$ 358,630
Total Assets	$ 34,491	$ 15,000	$ 358,630
Liabilities			
Accounts payable	$ -	$ -	$ 229,821
Accrued liabilities	-	-	40,553
Total Liabilities	-	-	270,374
Fund Balances			
Restricted for:			
Capital projects	34,491	15,000	88,256
Total Fund Balances	34,491	15,000	88,256
Total Liabilities and Fund Balances	$ 34,491	$ 15,000	$ 358,630

See Notes to Financial Statements.

Maple Street Park Improvements	Total
$ 20,000	$ 428,121
$ 20,000	$ 428,121
$ -	$ 229,821
-	40,553
-	270,374
20,000	157,747
20,000	157,747
$ 20,000	$ 428,121

City of Lockhart, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended September 30, 2025

	Clearfork Section 1 Sidewalk	Maple 2201 Trail Project	2015 Certificates of Obligation
Revenues			
Investment income	$ -	$ -	$ 34,284
Total Revenues	-	-	34,284
Expenditures			
Capital outlay	-	-	926,983
Total Expenditures	-	-	926,983
Net Change in Fund Balances	-	-	(892,699)
Beginning fund balances	34,491	15,000	980,955
Ending Fund Balances	$ 34,491	$ 15,000	$ 88,256

See Notes to Financial Statements.

Maple Street Park Improvements	Total
$ -	$ 34,284
-	34,284
-	926,983
-	926,983
-	(892,699)
20,000	1,050,446
$ 20,000	$ 157,747

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City of Lockhart, Texas

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

DEBT SERVICE FUND

For the Year Ended September 30, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property tax	$ 1,488,709	$ 2,160,480	$ 671,771
Intergovernmental revenue	24,300	24,255	(45)
Investment income	7,500	78,815	71,315
Total Revenues	1,520,509	2,263,550	743,041
Expenditures			
Debt service:			
Principal	1,062,118	1,332,622	(270,504)
Interest	597,819	332,560	265,259
Total Expenditures	1,659,937	1,665,182	(5,245) *
Revenues Over (Under) Expenditures	(139,428)	598,368	737,796
Other Financing Sources (Uses)			
Transfers in	378,663	378,663	-
Total Other Financing Sources (Uses)	378,663	378,663	-
Net Change in Fund Balances	$ 239,235	977,031	$ 737,796
Beginning fund balances		787,881	
Ending Fund Balances		$ 1,764,912	

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.

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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, 2025

	Business-Type Activities		
	Sanitation	**Airport**	**EMS**
Assets			
Current Assets			
Cash and cash equivalents	$ 285,581	$ 412,743	$ 600,013
Accounts receivable, net	395,540	500	15,921
Total Current Assets	681,121	413,243	615,934
Noncurrent Assets			
Capital assets:			
Non-depreciable	120,409	72,161	-
Net depreciable capital assets	49,475	1,052,961	-
Total Noncurrent Assets	169,884	1,125,122	-
Total Assets	851,005	1,538,365	615,934
Deferred Outflows of Resources			
Pension outflows-TMRS	24,049	-	-
OPEB outflows-TMRS	367	-	-
Total Deferred Outflows of Resources	24,416	-	-

See Notes to Financial Statements.

Business-Type Activities	
Total	
$	1,298,337
	411,961
	1,710,298
	192,570
	1,102,436
	1,295,006
	3,005,304
	24,049
	367
	24,416

City of Lockhart, Texas

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (Page 2 of 2)
September 30, 2025

	Business-Type Activities		
	Sanitation	Airport	EMS
Liabilities			
Current Liabilities			
Accounts payable	$ 162,431	$ 1,007	$ 1,502
Accrued liabilities	10,511	466	-
Customer deposits	150	4,950	-
Compensated absences, current	9,326	1,004	9,716
Lease payable, current	3,406	-	-
Total Current Liabilities	185,824	7,427	11,218
Noncurrent Liabilities			
Compensated absences, noncurrent	1,036	112	1,080
Net pension liability	75,536	-	-
OPEB liability-TMRS	9,034	-	-
OPEB liability-Retiree healthcare	6,966	-	-
Total Noncurrent Liabilities	92,572	112	1,080
Total Liabilities	278,396	7,538	12,297
Deferred Inflows of Resources			
Pension inflows-TMRS	10,029	-	-
OPEB inflows-TMRS	1,650	-	-
OPEB inflows-retiree healthcare	598	-	-
Total Deferred Inflows of Resources	12,277	-	-
Net Position			
Net investment in capital assets	166,478	1,125,122	-
Unrestricted	418,270	405,705	603,637
Total Net Position	$ 584,748	$ 1,530,827	$ 603,637

See Notes to Financial Statements.

Business-Type Activities Total	
$	164,940
	10,977
	5,100
	20,045
	3,406
	204,468
	2,227
	75,536
	9,034
	6,966
	93,763
	298,231
	10,029
	1,650
	598
	12,277
	1,291,600
	1,427,612
$	2,719,212

City of Lockhart, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the Year Ended September 30, 2025

	Business-Type Activities		
	Sanitation	**Airport**	**EMS**
Operating Revenues			
Charges for services	$ 2,161,692	$ 140,645	$ 444,833
Other revenue	28,290	-	76,364
Total Operating Revenues	2,189,982	140,645	521,197
Operating Expenses			
Personnel services	288,110	13,641	134,978
Supplies	10,057	-	-
Maintenance and repairs	1,923,257	66,688	18,194
Contractual services	10,512	20,112	75,627
Depreciation	18,371	55,849	31,512
Total Operating Expenses	2,260,424	156,290	260,311
Operating Income (Loss)	(70,442)	(15,645)	260,886
Nonoperating Revenues (Expenses)			
Gain(loss) on sale of assets	-	-	(169,741)
Investment earnings	24,245	17,730	13,265
Interest expense	(448)	-	-
Total Nonoperating Revenues (Expenses)	23,797	17,730	(156,476)
Income (Loss) Before Capital Contributions and Transfers	(46,645)	2,085	104,410
Capital Contributions and Transfers			
Capital grants	23,897	-	-
Transfers (out)	(321,509)	-	(150,000)
Total Capital Contributions and Transfers	(297,612)	-	(150,000)
Change in Net Position	(344,257)	2,085	(45,590)
Beg. net position, as previously reported	929,005	1,528,742	706,839
Error correction	-	-	(57,612)
Beginning net position, as adjusted	929,005	1,528,742	649,227
Ending Net Position	$ 584,748	$ 1,530,827	$ 603,637

See Notes to Financial Statements.

Business-Type Activities	
Total	
$	2,747,170
	104,654
	2,851,824
	436,729
	10,057
	2,008,139
	106,251
	105,732
	2,677,025
	174,799
	(169,741)
	55,240
	(448)
	(114,949)
	59,850
	23,897
	(471,509)
	(447,612)
	(387,762)
	3,164,586
	(57,612)
	3,106,974
$	2,719,212

City of Lockhart, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended September 30, 2025

	Business-Type Activities		
	Sanitation	**Airport**	**EMS**
Cash Flows from Operating Activities			
Payments to employees	$ (267,392)	$ (13,317)	$ (628,453)
Payments to suppliers	(1,933,685)	(86,558)	(295,943)
Receipts from customers	2,157,848	140,645	1,320,126
Net Cash Provided (Used) by Operating Activities	(43,229)	40,770	395,730
Cash Flows from Noncapital Financing Activities			
Transfers (out)	(321,509)	-	(150,000)
Net Cash Provided (Used) by Noncapital Financing	(321,509)	-	(150,000)
Cash Flows from Capital and Related Financing Activities			
Capital contributions	23,897	-	-
Principal paid on capital debt	(5,733)	-	-
Interest paid on capital debt	(448)	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	17,716	-	341,018
Cash Flows from Investing Activities			
Interest on investments	24,245	17,730	13,265
Net Cash Provided by Investing Activities	24,245	17,730	13,265
Net Increase (Decrease) in Cash and Cash	(322,777)	58,500	600,013
Beginning cash and cash equivalents	608,358	354,243	-
Ending Cash and Cash Equivalents	$ 285,581	$ 412,743	$ 600,013

See Notes to Financial Statements.

Business-Type Activities Total
$ (909,162)
(2,316,186)
3,618,619
393,271
(471,509)
(471,509)
23,897
(5,733)
(448)
358,734
55,240
55,240
335,736
962,601
$ 1,298,337

City of Lockhart, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2025

	Business-Type Activities		
	Sanitation	**Airport**	**EMS**
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	$ (70,442)	$ (15,645)	$ 260,886
Adjustments to reconcile operating income (loss) to net cash provided (used):			
Depreciation	18,371	55,849	31,512
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(32,234)	-	798,929
Deferred outflows:			
Pension	2,949	-	230,146
OPEB	(191)	-	1,497
Increase (Decrease) in:			
Accounts payable and accrued liabilities	30,271	242	(153,591)
Accrued interest	(10,013)	-	-
Due to other funds	-	-	(48,531)
Compensated absences	3,929	324	(16,417)
Deferred inflows:			
Pension	5,282	-	(40,461)
OPEB	249	-	(11,877)
Net pension liability	5,217	-	(599,435)
OPEB liability	3,283	-	(56,928)
Net Cash Provided (Used) by Operating Activities	$ (43,229)	$ 40,770	$ 395,730
Schedule of Non-Cash Capital and Related Financing Activities			
Lease issuance	$ 5,863	$ -	$ -

See Notes to Financial Statements.

Business-Type Activities Total
$ 174,799
105,732
766,695
233,095
1,306
(123,078)
(10,013)
(48,531)
(12,164)
(35,179)
(11,628)
(594,218)
(53,645)
$ 393,271

$ 5,863

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COMBINING STATEMENTS
FIDUCIARY FUNDS

City of Lockhart, Texas

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUSTS
September 30, 2025

	Glosserman Trust	Brock Cabin Trust	Total
Assets			
Cash and cash equivalents	$ 641	$ 12	$ 653
Total Assets	$ 641	$ 12	$ 653
Net Position			
Restricted for:			
Various purposes	641	12	653
Total Net Position	$ 641	$ 12	$ 653

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, 2025

	Glosserman Trust	Brock Cabin Trust	Total
Additions			
Investment income	$ 30	$ -	$ 30
Total Additions	30	-	30
Net Change in Net Position	30	-	30
Beginning Net Position	611	12	623
Ending Net Position	$ 641	$ 12	$ 653

See Notes to Financial Statements.

City of Lockhart, Texas

COMBINING STATEMENT OF FIDUCIARY NET POSITION

CUSTODIAL FUNDS

September 30, 2025

	Confiscated Property	Unclaimed Property	Bicycle Helmet	Total
Assets				
Cash and cash equivalents	$ 49,183	$ 11,920	$ 2,310	$ 63,413
Prepaids	-	1,211	-	1,211
Total Assets	$ 49,183	$ 13,131	$ 2,310	$ 64,624
Liabilities				
Due to other funds	17,447	11,971	1,117	30,535
Total Liabilities	17,447	11,971	1,117	30,535
Net Position				
Restricted for:				
Various purposes	31,736	1,160	1,193	34,089
Total Net Position	$ 31,736	$ 1,160	$ 1,193	$ 34,089

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, 2025

	Confiscated Property	Unclaimed Property	Bicycle Helmet	Total
Additions				
Investment income	$ 2,243	$ -	$ 697	$ 2,940
Other revenue	720	21	-	741
Total Additions	2,963	21	697	3,681
Net Change in Net Position	2,963	21	697	3,681
Beginning Net Position	28,773	1,139	496	30,408
Ending Net Position	$ 31,736	$ 1,160	$ 1,193	$ 34,089

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 156

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

Revenue Capacity 167

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

Debt Capacity 186

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

Demographic and Economic Information 191

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

Operating Information 194

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

City of Lockhart, Texas

NET POSITION BY COMPONENT

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2016	2017	2018	2019
Governmental activities				
Net investment in capital assets	$ 15,001,030	$ 14,162,688	$ 13,774,228	$ 12,648,711
Restricted	1,093,907	1,141,195	1,396,101	1,571,133
Unrestricted	2,137,425	1,886,148	1,823,314	1,972,882
Total governmental activities net position	$ 18,232,362	$ 17,190,031	$ 16,993,643	$ 16,192,726
Business-type activities				
Net investment in capital assets	$ 15,074,665	$ 16,507,663	$ 16,961,238	$ 17,492,757
Restricted	1,071,089	1,163,687	1,421,535	1,661,480
Unrestricted	7,979,875	7,489,601	8,791,362	9,434,557
Total business-type activities net position	$ 24,125,629	$ 25,160,951	$ 27,174,135	$ 28,588,794
Primary government				
Net investment in capital assets	$ 30,075,695	$ 30,670,351	$ 30,735,466	$ 30,141,468
Restricted	2,164,996	2,304,882	2,817,636	3,232,613
Unrestricted	10,117,300	9,375,749	10,614,676	11,407,439
	$ 42,357,991	$ 42,350,982	$ 44,167,778	$ 44,781,520

(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.

2020	2021	2022	2023	2024	2025
$ 12,104,249	$ 11,816,033	$ 11,546,567	$ 17,776,524	$ 18,662,311	$ 24,274,707
1,603,237	3,598,451	3,362,595	6,072,719	7,465,102	8,857,884
3,557,222	3,915,790	7,463,394	7,537,491	10,291,023	4,604,889
$ 17,264,708	$ 19,330,274	$ 22,372,556	$ 31,386,734	$ 36,418,436	$ 37,737,480
$ 16,579,735	$ 15,721,677	$ 15,404,957	$ 19,452,608	$ 18,379,583	$ 19,697,554
2,034,582	2,008,737	2,626,781	5,182,714	8,202,139	9,540,244
8,506,993	6,885,849	6,709,920	7,675,992	6,822,467	4,853,477
$ 27,121,310	$ 24,616,263	$ 24,741,658	$ 32,311,314	$ 33,404,189	$ 34,091,275
$ 28,683,984	$ 27,537,710	$ 26,951,524	$ 37,229,132	$ 37,041,894	$ 43,972,261
3,637,819	5,607,188	5,989,376	11,255,433	15,667,241	18,398,128
12,064,215	10,801,639	14,173,314	15,213,483	17,113,490	9,458,366
$ 44,386,018	$ 43,946,537	$ 47,114,214	$ 63,698,048	$ 69,822,625	$ 71,828,755

City of Lockhart, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2016	2017	2018	2019
Governmental activities				
Expenses				
General government	$ 1,879,383	$ 2,083,166	$ 2,045,364	$ 2,232,343
Public safety	5,230,470	5,086,371	5,401,024	5,799,256
Public works	2,586,206	2,644,292	3,084,192	3,552,691
Health and welfare	17,068	22,137	16,326	18,250
Culture and recreation	933,135	1,006,038	1,077,697	1,041,842
Community development	-	-	-	-
Interest on long-term debt	621,121	459,629	441,769	415,242
Total governmental activities expenses	11,267,383	11,301,633	12,066,372	13,059,624
Program revenues				
Charges for services				
General government	191,100	181,313	223,254	601,870
Public safety	330,826	334,769	1,005,749	295,192
Public works	723,832	549,097	423,575	291,604
Health and welfare	-	-	-	-
Culture and recreation	33,926	32,699	37,991	29,589
Community development	-	-	-	-
Operating grants and contributions	615,542	202,393	566,039	579,539
Capital grants and contributions	-	-	278,000	96,263
Total program revenues	1,895,226	1,300,271	2,534,608	1,894,057
Total governmental activities net program expense	$ (9,372,157)	$ (10,001,362)	$ (9,531,764)	$ (11,165,567)
General Revenues and Other Changes in Net Position				
Taxes				
Property taxes, general	3,016,649	3,217,538	3,620,758	3,914,885
Property taxes, debt service	687,845	692,161	704,442	697,336
Sales taxes	1,478,065	1,549,695	1,650,931	1,767,048
Franchise taxes	316,353	312,433	357,278	360,589
Other taxes	132,234	96,529	106,756	111,841
Unrestricted investment earnings	59,851	99,353	190,320	283,700
Gain on sale of capital assets	-	-	-	-
Other revenue	239,590	289,291	192,281	184,509
Transfers	2,448,575	2,896,410	3,094,654	3,044,742
Total general revenues and other changes net position	8,379,162	9,153,410	9,917,420	10,364,650
Total governmental activities change in net position	$ (992,995)	$ (847,952)	$ 385,656	$ (800,917)

2020	2021	2022	2023	2024	2025
$ 2,455,580	$ 1,931,497	$ 1,967,143	$ 2,165,947	$ 2,383,519	$ 2,945,892
5,703,143	6,202,140	6,168,414	6,937,475	6,628,423	8,309,527
3,153,763	2,970,230	2,684,964	2,930,612	2,826,765	4,018,383
144,615	26,352	23,439	18,264	42,956	38,098
1,052,444	683,483	1,215,110	1,481,117	1,632,347	1,727,577
-	1,189,072	905,103	2,003,675	1,963,799	1,257,404
391,300	371,174	390,198	396,858	348,098	745,842
12,900,845	13,373,948	13,354,371	15,933,948	15,825,907	19,042,723
730,384	-	-	-	-	-
355,773	366,887	208,287	248,067	263,661	428,207
358,837	649,986	664,402	688,987	732,320	758,836
-	-	-	-	-	-
8,943	88,883	251,869	163,321	207,149	130,306
-	650,521	852,003	2,298,116	2,546,060	1,064,586
1,037,366	2,485,671	2,205,060	472,563	475,639	532,505
257,055	177,865	211,854	6,386,889	171,997	128,235
2,748,358	4,419,813	4,393,475	10,257,943	4,396,826	3,042,675
$ (10,152,487)	$ (8,954,135)	$ (8,960,896)	$ (5,676,005)	$ (11,429,081)	$ (16,000,048)
4,276,918	4,555,926	4,848,005	5,373,699	5,932,445	6,229,761
714,253	694,121	953,087	1,740,778	1,677,779	2,160,480
1,992,939	2,143,239	2,392,769	2,712,526	3,009,942	3,284,944
349,849	398,205	395,527	352,616	456,696	438,136
102,063	113,504	189,491	230,233	169,262	178,817
119,746	20,739	125,718	893,878	1,083,776	937,800
-	2,110	-	34,000	7,300	201
233,319	100,720	213,151	249,470	78,824	93,710
3,145,528	2,991,137	2,885,430	3,102,983	4,044,759	4,162,700
10,934,615	11,019,701	12,003,178	14,690,183	16,460,783	17,486,549
$ 782,128	$ 2,065,566	$ 3,042,282	$ 9,014,178	$ 5,031,702	$ 1,486,501

City of Lockhart, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2016	2017	2018	2019
Business-type activities				
Expenses				
Electric	$ 8,664,234	$ 8,722,211	$ 9,132,038	$ 9,242,068
Water	3,257,979	3,545,084	3,428,101	3,224,639
Wastewater	2,089,407	1,824,111	1,281,066	1,370,942
Sanitation	1,215,636	1,345,466	1,461,111	1,553,603
Airport	69,911	76,438	100,130	78,258
EMS	1,230,254	1,289,014	1,334,506	1,383,128
Total business-type expenses	16,527,421	16,802,324	16,736,952	16,852,638
Program revenues				
Charges for services				
Electric	10,974,720	11,444,388	12,238,369	12,193,929
Water	3,100,239	3,287,603	3,336,689	3,267,558
Wastewater	2,265,298	2,578,386	2,339,875	2,278,003
Sanitation	1,464,121	1,593,359	1,708,812	1,872,719
Airport	68,927	71,489	71,433	89,059
EMS	2,007,847	1,354,810	1,438,174	978,097
Operating grants and contributions	-	7,016	24,925	68,272
Capital grants and contributions	1,042,796	195,261	-	-
Total business-type program revenues	20,923,948	20,532,312	21,158,277	20,747,637
Total business-type activities net program expense	$ 4,396,527	$ 3,729,988	$ 4,421,325	$ 3,894,999
General revenues and other changes in net position				
Impact fees	263,817	83,585	244,561	195,808
Unrestricted investment earnings	61,357	118,159	236,101	368,594
Other revenue	-	-	23,598	-
Transfers	(2,448,575)	(2,896,410)	(3,094,654)	(3,044,742)
Total general revenues and other changes in net position	(2,123,401)	(2,694,666)	(2,590,394)	(2,480,340)
Total business-type activities change in net position	$ 2,273,126	$ 1,035,322	$ 1,830,931	$ 1,414,659
Total primary government change in net position	$ 1,280,131	$ 187,370	$ 2,216,587	$ 613,742

2020	2021	2022	2023	2024	2025
$ 8,564,816	$ 11,350,044	$ 9,978,485	$ 10,884,211	$ 11,167,367	$ 12,576,631
3,908,621	5,066,674	5,565,359	6,401,698	7,021,330	8,255,328
1,444,482	1,635,537	1,805,990	1,589,668	1,697,831	2,136,980
1,592,412	1,690,298	1,615,564	1,797,864	1,900,196	2,260,872
80,607	76,546	93,143	283,503	86,381	156,290
1,407,549	1,408,385	1,425,088	1,507,988	2,389,887	430,052
16,998,487	21,227,484	20,483,629	22,464,932	24,262,992	25,816,153
11,039,153	11,560,085	12,608,272	13,153,265	13,007,971	14,062,850
3,555,391	3,758,322	4,132,398	5,672,000	6,413,438	8,146,651
2,277,346	2,478,077	2,880,275	3,951,370	4,623,307	4,191,724
1,981,863	2,040,494	1,906,522	1,944,417	2,083,734	2,161,692
82,809	85,953	92,532	102,387	132,073	140,645
1,071,931	1,136,903	1,414,727	1,780,405	1,542,597	444,833
44,680	-	-	1,133,983	6,111	-
23,750	432,657	196,038	4,519,241	47,000	462,408
20,076,923	21,492,491	23,230,764	32,257,068	27,856,231	29,610,803
$ 3,078,436	$ 265,007	$ 2,747,135	$ 9,792,136	$ 3,593,239	$ 3,794,650
296,093	-	-	-	-	-
164,183	21,947	114,001	841,201	1,131,268	1,000,060
8,552	199,136	149,689	39,302	106,454	112,688
(3,145,528)	(2,991,137)	(2,885,430)	(3,102,983)	(4,044,759)	(4,162,700)
(2,676,700)	(2,770,054)	(2,621,740)	(2,222,480)	(2,807,037)	(3,049,952)
$ 401,736	$ (2,505,047)	$ 125,395	$ 7,569,656	$ 786,202	$ 744,698
$ 1,183,864	$ (439,481)	$ 3,167,677	$ 16,583,834	$ 5,817,904	$ 2,231,199

City of Lockhart, Texas

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2016	2017	2018	2019
General Fund				
Nonspendable				
Prepaid items	$ 15,728	$ 23,642	$ 37,870	$ 30,627
Inventory	13,699	11,272	11,563	13,572
Restricted	-	-	-	-
Committed	604,252	609,054	553,877	574,446
Unassigned	3,423,228	3,897,547	4,451,131	5,103,853
Total general fund	$ 4,056,907	$ 4,541,515	$ 5,054,441	$ 5,722,498
All Other Governmental Funds				
Nonspendable				
Prepaid items	$ 4,512	$ 680	$ 2,765	$ -
Restricted				
Debt service	278,089	285,621	240,674	203,016
Special revenue funds	-	-	-	-
General government	627,417	664,319	35,067	46,502
Public safety	180,153	206,068	227,044	206,600
Municipal court	-	-	-	-
Tourism	8,248	8,485	2,721	6,637
Public works	-	-	903,976	1,073,692
Various capital projects	6,792,536	5,160,201	4,531,457	3,437,195
Unassigned	-	-	-	(3,523)
Total all other governmental funds	$ 7,890,955	$ 6,325,374	$ 5,943,704	$ 4,970,119

2020	2021	2022	2023	2024	2025
$ 27,327	$ 610,955	$ 31,193	$ 24,887	$ 1,269,025	$ 13,998
9,350	17,718	26,240	1,285,605	16,319	57,607
-	234,613	2,671,686	1,628,105	1,725,044	1,646,996
308,539	309,050	311,949	330,202	349,932	366,675
6,673,086	6,506,302	7,838,447	9,138,171	11,065,775	6,843,781
$ 7,018,302	$ 7,678,638	$ 10,879,515	$ 12,406,970	$ 14,426,095	$ 8,929,057
$ -	$ -	$ -	$ 10,227	$ 16,050	$ 24,289
115,835	-	-	298,475	787,881	1,764,912
-	-	-	-	-	-
59,773	63,160	69,453	84,552	76,482	95,689
179,496	18,994	20,649	23,351	30,669	25,392
-	118,506	126,794	135,713	150,431	181,650
64,016	98,198	130,191	172,985	152,073	87,496
1,063,841	-	-	-	-	-
2,914,631	5,857,283	6,962,353	5,866,568	6,669,760	26,210,524
(323,955)	(87,431)	(138,743)	(26,966)	(63,741)	(190,488)
$ 4,073,637	$ 6,068,710	$ 7,170,697	$ 6,564,905	$ 7,819,605	$ 28,199,464

City of Lockhart, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2016	2017	2018	2019
Revenues				
Property taxes	$ 3,757,254	$ 3,971,301	$ 4,352,825	$ 4,676,453
Sales and other taxes	1,921,425	1,990,221	2,114,965	2,239,478
Franchise and local taxes				
Fines, fees and forfeitures	1,115,233	927,273	1,227,557	1,127,998
Licenses and permits	173,641	125,761	192,622	142,721
Charges for services	-	-	-	2,200
Intergovernmental and grants	184,438	202,393	458,624	554,354
Investment	59,851	99,353	190,320	283,700
Other revenue	550,390	288,003	323,296	275,443
Total revenues	7,762,232	7,604,305	8,860,209	9,302,347
Expenditures				
Current				
General government	1,853,485	1,847,858	1,933,687	2,107,937
Public safety	4,680,022	4,751,069	5,212,519	5,631,506
Public works	1,069,441	1,168,180	1,727,405	1,601,001
Health and welfare	12,138	17,207	11,396	13,320
Culture and recreation	834,815	890,047	949,731	912,739
Community development	-	-	-	-
Debt service				
Principal retirement	855,322	587,160	601,470	690,799
Interest and fiscal charges	566,342	500,948	483,207	456,409
Paying agent and issue costs	151,889	1,200	1,000	800
Capital outlay	1,589,287	1,818,019	828,872	1,238,106
Total expenditures	11,612,741	11,581,688	11,749,287	12,652,617
Excess (deficiency) of revenues over expenditures	(3,850,509)	(3,977,383)	(2,889,078)	(3,350,270)
Other financing sources (uses)				
Debt issued	4,887,402	-	-	-
Premium on issuance of bonds	593,157	-	-	-
Payment to escrow	(5,455,484)	-	-	-
Gain on sale of capital assets	-	-	-	-
Transfers in	3,451,810	3,440,098	3,688,600	3,796,267
Transfers out	(1,003,235)	(543,688)	(593,946)	(751,525)
Total other financing sources (uses)	2,473,650	2,896,410	3,094,654	3,044,742
Change in fund balances	$ (1,376,859)	$ (1,080,973)	$ 205,576	$ (305,528)
Debt service as a percentage of noncapital expenditures	14.68%	11.64%	10.42%	10.23%

2020	2021	2022	2023	2024	2025
$ 5,028,375	$ 5,274,506	$ 5,748,229	$ 7,010,249	$ 7,423,752	$ 8,440,315
2,444,852	2,143,239	2,392,769	2,712,526	3,009,942	3,284,944
	511,709	585,018	582,849	625,958	616,953
1,190,406	414,578	275,647	236,897	219,056	341,213
243,196	650,521	852,003	2,298,116	2,546,060	1,064,586
2,200	738,869	916,271	852,308	939,469	889,142
866,355	3,061,756	2,379,234	647,533	647,636	660,740
119,746	20,739	125,718	893,878	1,083,776	937,800
223,199	186,781	235,092	249,470	76,197	93,710
10,118,329	13,002,698	13,509,981	15,483,826	16,571,846	16,329,403
2,333,952	1,777,924	2,121,509	1,899,022	2,226,415	2,814,820
5,579,302	6,052,616	6,066,612	6,530,409	7,289,495	8,475,426
1,948,586	1,571,151	913,011	2,914,291	2,673,775	5,555,646
139,685	20,539	35,312	9,086	33,778	28,920
1,150,716	1,022,863	1,038,803	1,803,531	1,474,707	1,679,333
-	707,075	955,377	1,933,286	1,993,255	1,238,878
727,163	797,305	1,006,761	1,416,609	1,483,572	1,578,522
432,504	413,447	393,470	434,928	401,807	371,486
800	-	25,220	-	-	278,056
551,827	1,442,886	2,189,333	757,984	93,808	4,189,659
12,864,535	13,805,806	14,745,408	17,699,146	17,670,612	26,210,746
(2,746,206)	(803,108)	(1,235,427)	(2,215,320)	(1,098,766)	(9,881,343)
-	383,923	2,652,861	-	320,532	19,275,354
-	-	-	-	-	1,325,909
-	-	-	-	-	-
-	251,942	-	34,000	7,300	201
4,360,894	3,793,615	3,644,993	4,694,559	4,797,571	4,903,290
(1,215,366)	(802,478)	(759,563)	(1,591,576)	(752,812)	(740,590)
3,145,528	3,627,002	5,538,291	3,136,983	4,372,591	24,764,164
$ 399,322	$ 2,823,894	$ 4,302,864	$ 921,663	$ 3,273,825	$ 14,882,821
10.14%	9.79%	11.15%	12.48%	12.73%	10.93%

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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
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
2024	7,349,874	73,878	3,009,942	376,431	169,262	80,265	11,059,652
2025	8,342,169	98,146	3,284,944	375,080	178,817	63,056	12,342,212

City of Lockhart, Texas

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE

Last Ten fiscal years

Fiscal Year	Tax Roll	Real Property: Residential Property	Real Property: Non-Residential Property	Personal Property	Minerals	Less: Tax Exempt Real Property	Total Taxable Assessed Value Before Freeze
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
2024	2023	875,957,477	1,077,096,310	82,319,610	54,258	587,380,672	1,448,046,983
2025	2024	945,689,893	1,215,196,144	87,623,500	37,473	558,287,270	1,690,259,740

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
(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	0.6354	4,484,372	700,459	5,184,831	100.00%
(160,899,077)	787,285,404	0.6354	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%
(220,920,340)	1,227,126,643	0.5348	6,562,673	921,166	7,483,840	100.00%
(254,383,243)	1,435,876,497	0.5093	7,312,919	997,288	8,310,207	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
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
2024	0.1026	0.4067	0.5093	0.9546	0.0158	0.0140	0.4390	0.0001	1.4235
2025	0.1428	0.4113	0.5541	0.9396	0.0170	0.0137	0.4390	0.0001	1.4094

SOURCE: Caldwell County Tax Office

City of Lockhart, Texas

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago (Unaudited)

2025		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Exeter 130 Cahill LP	$ 22,125,000	1.31%
Wal-Mart Stores Texas LP	17,779,830	1.05%
Pilot-Legacy Stanton LLC	14,985,000	0.89%
Economy Realty LTD	12,909,440	0.76%
Sunchase Square Apartments LLC	10,565,329	0.63%
H E Butt Grocery	8,507,616	0.50%
LCRA Transmission Srvcs Corp	7,737,840	0.46%
Evergen Equity 30 LP	7,700,000	0.46%
Lockhart Village Partners LP	7,759,796	0.46%
PHX15 LLC	7,723,835	0.46%
	$ 117,793,686	**6.97%**

2016		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Wal-Mart Stores Texas	$ 7,198,110	1.39%
Economy Realty, LTD	6,987,720	1.35%
LCRA Transmission Svc. Corp	5,414,040	1.04%
H E Butt Grocery	4,886,480	0.94%
Dormae Products, Inc	4,419,890	0.85%
Lockhart DMA Housing LLC	4,258,000	0.82%
Lockhart Village Partners LP	3,122,191	0.60%
Tri-State Facilities Lockhart, LLC	2,521,220	0.49%
Green Acres Housing LLC	2,427,490	0.47%
Hirisers LLC	1,548,390	0.30%
	$ 42,783,531	**8.25%**

SOURCE: Caldwell County Appraisal District

City of Lockhart, Texas

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten fiscal years

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collections within the Fiscal Year of the Levy	
				Amount	Percentage of Levy
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%
2024	7,497,410	(31,983)	7,465,427	7,179,863	96.17%
2025	8,304,453	(26,085)	8,278,368	8,047,397	97.21%

NOTES: Collections do not include penalty and interest.

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

SOURCE: Caldwell County Tax Office

Collections in Subsequent Years	Total Collections to Date		Uncollected Balance
	Amount	Percentage of Levy	
$ 76,116	$ 3,696,484	99.68%	$ 11,842
67,133	3,865,846	99.67%	12,721
95,363	4,321,373	99.72%	12,341
73,239	4,588,953	99.75%	11,585
104,447	4,986,015	99.67%	16,515
89,777	5,184,261	99.61%	20,174
95,472	5,715,678	99.44%	32,110
121,676	6,972,142	99.05%	66,811
144,813	7,324,676	98.11%	140,751
-	8,047,397	97.21%	230,971

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City of Lockhart, Texas

ELECTRIC PURCHASED AND CONSUMED

Last Ten fiscal years

Fiscal Year	KWH Electric Purchased	KWH Electric Consumed	KWH Electric Unbilled	Average Percent Unbilled	Total Direct Rate Electric	
					Base Rate	Usage Rate
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
2024	126,260,306	119,492,886	6,767,420	5%	11.32	0.0190
2025	129,576,009	125,708,322	3,867,687	3%	11.32	0.0190

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

City of Lockhart, Texas

ELECTRIC RATES

Last Ten fiscal years

	2016	2017	2018	2019	2020
Electric Rates (per KWH)					
Base Rate	$ 11.32	$ 22.20	$ 22.60	$ 23.10	$ 23.10
Electric Usage Rate					
0 - 1,200 kwh	0.01896	0.01896	0.02156	0.02156	0.02156
1,201 +	0.03250	0.03250	0.03510	0.03510	0.03510
+ all kwh	0.00225	0.00225	0.00225	0.00225	0.00225

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

2021	2022	2023	2024	2025
$ 23.10	$ 23.10	$ 23.10	$ 11.32	$ 11.32
0.02156	0.02156	0.02156	0.01896	0.01896
0.03510	0.03510	0.03510	0.03250	0.03250
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

2025

Customer	Type of Business	12-Month Electric Consumption per kWh	Percent of Total Billed
MTC/LockhartCorrectional Facility	Service	3,650,640	2.85%
H.E.B. Stores	Retail	2,596,000	2.03%
Lockhart High School	Public School	2,538,850	1.98%
Pure Castings	Manufacturing	1,580,250	1.23%
Caldwell County	Government	1,116,535	0.87%
Bluebonnet Elementary	Public School	1,093,200	0.85%
G.B.R.A.	Service	1,212,330	0.95%
Poco Loco, LLC	Retail	1,042,400	0.81%
Arco Murray Construction	Construction	1,042,500	0.81%
Livingood Feeds	Retail	960,001	0.75%

2016

Customer	Type of Business	12-Month Electric Consumption per kWh	Percent of Total Billed
MTC/LockhartCorrectional Facility	Service	4,233,520	4.06%
H.E.B. Stores	Retail	2,518,000	2.42%
Livingood Feeds	Retail	1,283,700	1.23%
Caldwell County Annex	Government	1,157,400	1.11%
Dormae/Serta Products	Production	1,104,000	1.06%
G.B.R.A.	Service	1,055,760	1.01%
Pinnacle Health	Healthcare	900,960	0.86%
Lockhart High School	Public School	896,450	0.86%
Caldwell County	Government	847,800	0.81%
Bluebonnet Elementary	Public School	698,100	0.67%

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
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
2024	651	582	69	11%	529
2025	683	611	179	26%	574

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
22.60	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
27.45	4.86	19.18	5.77
37.05	6.56	19.75	5.94

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City of Lockhart, Texas

TEN LARGEST WATER CUSTOMERS

Current Year and Nine Years Ago (Unaudited)

2025

Customer	Type of Business	12-Month Water Consumption	Percent of Total Billed
MTC/Lockhart Correctional Facility	Private Public Safety	46,724	8.06%
The Ziegenfelder Company Inc.	Manufacturing	13,649	2.36%
Southpark Village	Housing	12,523	2.16%
Lockhart Farms, Lp	Housing	10,189	1.76%
Lockhart Nursing & Rehab	Healthcare	5,954	1.03%
Pilot-Legacy Stanton, LLC	Housing	5,831	1.01%
Sunchase Square Apartments	Housing	5,196	0.90%
D.R. Horton Homes	Construction	4,916	0.85%
Federal Housing	Housing	4,733	0.82%
Lockhart Intermediate School	Public School	4,730	0.82%

2016

Customer	Type of Business	12-Month Water Consumption	Percent of Total Billed
MTC/Lockhart Correctional Facility	Private Public Safety	61,606	13.00%
Caldwell County	Government	9,067	1.91%
Wal-Mart Store	Retail	6,687	1.41%
Pinnacle Health Facility	Healthcare	4,213	0.89%
Federal Housing	Housing	4,154	0.88%
Lockhart High School Track	Public School	2,817	0.59%
Brite & Shiny Carwash	Service	2,573	0.54%
Meadow Park Village	Housing	2,475	0.52%
MLM Quilloy Properties, LLC	Construction	1,927	0.41%
Comfort Suites	Hotel	1,746	0.37%

City of Lockhart, Texas

WATER AND SEWER RATES

Last Ten Fiscal Years

	2016	2017	2018	2019
Water Rates (per 2,000 gallons)				
Base Rate	$ 22.10	$ 22.10	$ 22.60	$ 23.10
Water Usage Rate				
2,001-6,000	3.90	3.90	4.50	4.80
6,001-8,000	4.15	4.15	4.75	5.05
8,001-10,000	4.40	4.40	5.00	5.30
>10,001	5.15	5.15	5.75	6.05
Sewer Rates (per 2,000 gallons)				
Base Rate	15.51	15.51	15.51	15.51
Sewer Usage Rate				
>2,000	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.

2020	2021	2022	2023	2024	2025
$ 23.60	23.60	23.60	25.89	27.45	37.05
4.80	4.80	4.80	4.58	4.86	6.56
5.05	5.05	5.05	5.73	6.07	8.19
5.30	5.30	5.30	6.64	7.04	12.29
6.05	6.05	6.05	7.33	7.77	18.43
15.51	15.51	15.51	17.92	19.18	19.75
4.67	4.67	4.67	5.40	5.77	5.94

City of Lockhart, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

	Governmental Activities						Business-type Activities	
Fiscal Year	Certificates of Obligation	General Obligation Bonds	Tax Notes	Lease Liabilities	SBITA Liabilities	Plus: Issuance Premiums	Certificates of Obligation	General Obligation Bonds
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	151,988	466,738	7,397,775	1,239,126
2023	5,944,595	3,120,828	2,025,086	399,301	140,142	405,227	6,950,407	1,049,168
2024	5,548,135	2,548,302	1,708,666	534,607	127,202	343,716	6,486,867	856,696
2025	24,090,540	1,953,324	1,383,617	623,160	113,103	1,602,589	6,004,462	656,674

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
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	71,669,266	18.3%	4,984
100,835	2,021,112	41,955,000	1,494,914	274,728	65,881,343	15.8%	4,396
25,850	1,840,710	40,875,000	1,261,334	242,466	62,399,551	14.1%	4,074
25,824	1,655,797	39,770,000	1,021,384	210,206	79,110,680	14.1%	4,255

City of Lockhart, Texas

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding: Certificates of Obligation	General Obligation Bonds	Tax Notes	Plus: Issuance Premiums	Total	Debt Service Monies Available	Net Bonded Debt
2016	9,381,395	4,887,402	-	835,806	15,104,603	362,919	14,741,684
2017	8,794,235	4,887,052	-	774,293	14,455,580	278,089	14,177,491
2018	8,192,765	4,887,052	-	712,782	13,792,599	285,621	13,506,978
2019	7,707,775	4,681,243	-	651,271	13,040,289	240,674	12,799,615
2020	7,208,875	4,452,980	-	589,760	12,251,615	203,016	12,048,599
2021	6,691,415	4,224,718	-	528,249	11,444,382	115,835	11,328,547
2022	6,327,225	3,685,870	2,330,000	466,738	10,479,833	-	10,479,833
2023	5,944,595	3,120,828	2,025,086	405,227	9,470,650	298,476	9,172,174
2024	5,548,135	2,548,302	1,708,666	343,716	8,440,153	787,882	7,652,271
2025	24,090,540	1,953,324	1,383,617	1,602,589	27,646,453	1,764,913	25,881,540

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
2.84%	1,162
2.66%	1,117
2.21%	1,064
2.10%	919
1.80%	865
1.55%	814
1.24%	729
0.97%	638
0.53%	500
1.53%	1,392

City of Lockhart, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2025(Unaudited)

	Gross Debt Outstanding		Percentage Applicable	Amount Applicable
	Date	Amount	to City	to City
Direct Debt:				
City of Lockhart	9/30/2025	$ 29,766,333	100.00%	$ 29,766,333
Overlapping Debt:				
Austin CCD	9/30/2025	657,685,000	0.41%	2,696,509
Caldwell County	9/30/2025	66,190,000	28.76%	19,036,244
Lockhart Independent School District	9/30/2025	206,374,856	40.83%	84,262,854
Total Overlapping Debt		930,249,856		105,995,606
Total		$ 960,016,189		$ 135,761,939

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

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

SOURCE: Municipal Advisory Council of Texas

City of Lockhart, Texas

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years (Unaudited)

Fiscal Year	(1) Population	Personal Income	(2) Per Capita Personal Income	(3) School Enrollment	(4) Unemployment Rate
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%
2024	15,318	443,548,008	28,956	6,768	3.4%
2025	18,591	561,596,928	30,208	6,850	1.5%

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) Per Capita Personal Income based on U.S. Census Bureau

(3) Lockhart Independent School District

(4) Texas Workforce Commission. Labor Force Statistics for Texas Counties

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City of Lockhart, Texas

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2025

Employer	Employees	Percentage of Total City Employment
Lockhart ISD	790	7.73%
Walmart	225	2.20%
MTC (Lockhart Correctional)	175	1.71%
H.E.B Food Store	170	1.66%
Pegasus School, Inc	145	1.42%
City of Lockhart	140	1.37%
Fashion Glass & Mirror	102	1.00%
RealCold	100	0.98%
Ziegenfelder	75	0.73%
Pure Castings Company	75	0.73%
	1,997	19.55%

2016

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

* 2016 information was not available. 2012 comparative information has been presented.

City of Lockhart, Texas

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

Last Ten Fiscal Years

	2016	2017	2018	2019	2020
Function/Program					
General government					
City manager	4.0	4.0	5.0	5.0	5.0
City secretary	1.0	1.0	1.0	1.0	1.0
Finance	5.0	5.0	4.0	5.0	5.0
Municipal court	5.0	4.0	4.0	4.0	4.0
Library	10.0	9.0	9.0	9.0	9.0
Parks and recreation	7.0	7.0	7.0	8.0	8.0
Code enforcement	3.0	3.0	3.0	3.0	3.0
Planning and development	4.0	4.0	4.0	4.0	4.0
Public safety					
Police	25.0	28.0	30.0	29.0	27.0
Communications	9.0	9.0	10.0	9.0	9.0
Fire	18.0	15.0	14.0	14.0	13.0
Public works					
Public works	3.0	3.0	2.0	2.0	2.0
Animal control	8.0	8.0	8.0	7.0	6.0
Garage	3.0	3.0	3.0	3.0	3.0
Streets	13.0	12.0	12.0	12.0	12.0
Electric					
Utility billing	6.0	5.0	6.0	6.0	6.0
Utility distribution	9.0	9.0	8.0	9.0	9.0
Water/wastewater					
Water operations	5.0	5.0	5.0	6.0	6.0
Sewer operations	3.0	3.0	4.0	3.0	3.0
Sanitation					
Operations	2.0	2.0	2.0	2.0	2.0
Recycle					
Economic Development	1.0	2.0	2.0	2.0	2.0
EMS	-	-	-	-	-
Total	144	141	143	143	139

2021	2022	2023	2024	2025
4.0	4.0	4.0	4.0	3.0
1.0	1.0	1.0	1.0	1.0
5.0	5.0	5.0	4.0	5.0
4.0	3.0	3.0	2.0	2.0
6.0	6.0	6.0	6.0	6.0
8.0	9.0	5.0	9.0	9.0
3.0	3.0	3.0	5.0	5.0
4.0	4.0	4.0	3.0	3.0
29.0	31.0	22.0	27.0	26.0
10.0	10.0	7.0	6.0	9.0
13.0	15.0	14.0	17.0	15.0
2.0	2.0	2.0	2.0	2.0
6.0	7.0	6.0	8.0	8.0
4.0	4.0	4.0	4.0	3.0
12.0	12.0	10.0	10.0	10.0
6.0	6.0	6.0	5.0	8.0
9.0	10.0	8.0	9.0	9.0
6.0	5.0	5.0	5.0	5.0
4.0	4.0	2.0	3.0	4.0
2.0	2.0	1.0	2.0	2.0
1.0	1.0	1.0	1.0	1.0
2.0	2.0	0.0	1.0	2.0
-	-	-	15	13
141	146	119	149	151

City of Lockhart, Texas

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019
General government				
Building permits issued	647	495	444	542
Building inspections conducted	1,613	1,716	2,179	2,282
Public safety				
Police				
Physical arrests	628	596	934	862
Traffic violations	2,149	3,251	5,708	6,281
Fire				
Fire calls	1,386	1,501	1,356	1,406
Public works				
Streets (miles)	65	65	65	66
Culture and recreation				
Parks and recreation				
Park rental	91	107	73	85
Swimming pool				
Single admissions	8,554	8,289	6,883	6,596
Party rentals	50	34	32	33
Electric				
New connections	9	11	18	23
Average daily consumption (kwh)	279,093	287,659	313,552	312,646
Water and wastewater				
Water				
New connections/taps	139	56	78	61
Average daily consumption	1.26 mgd	1.18 mgd	1.32 mgd	1.26 mgd
Peak daily consumption	2.075 mgd	2.118 mgd	2.263 mgd	2.160 mgd
Wastewater				
Average daily sewage treatment	1.34 mgd	1.24 mgd	1.09 mgd	1.00 mgd
EMS				
Ambulance loads	2,989	3,106	3,207	3,199

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.

2020	2021	2022	2023	2024	2025
839	1,339	2,296	4,197	2,501	2,321
1,703	2,845	4,959	15,597	18,434	14,278
451	469	455	408	622	519
4,041	4,480	4,091	3,711	3,867	5,337
1,361	1,388	1,652	1,717	1,764	1,804
100	124.5	124.5	124.5	124.5	141.5
32	58	85	109	106	110
-	8,279	8,973	4,822	7,885	7,794
-	30	46	20	40	50
49	125	616	805	983	694
307,607	297,326	306,687	321,692	327,378	362,231
50	111	144	502	551	180
1.305 mgd	1.296 mgd	1.425 mgd	1.604 mgd	1.590 mgd	1.852 mgd
2.200 mgd	2.500 mgd	2.100 mgd	2.895 mgd	2.620 mgd	2.421 mgd
1.02 mgd	1.13 mgd	1.04 mgd	1.06 mgd	1.446 mgd	1.103 mgd
3,188	3,479	3,350	3,605	3,605	3,605

City of Lockhart, Texas

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2016	2017	2018	2019
Function/Program				
Public safety				
Police				
Stations	1	1	1	1
Patrol units	22	26	28	29
Fire stations	1	1	1	2
Highways and streets				
Streets (miles)	64.7	65.2	65.2	65.9
Streetlights	1,838	1,838	1,844	1,856
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	80	80
Number of distribution stations	2	2	2	2
Capacity sold (MwH)	101,869	104,995	114,447	114,116
Water and wastewater				
Water				
Water mains (miles)	87.4	92.1	92.1	93.7
Fire hydrants	675	685	700	729
Storage capacity	1.05 mgd	1.05 mgd	1.05 mgd	1.05 mgd
Wastewater				
Sanitary sewers (miles)	76	76	78	79
Storm sewers (miles)	0	0	0	0
Treatment capacity	2.6 mgd	2.6 mgd	2.6 mgd	2.6 mgd

2020	2021	2022	2023	2024	2025
1	1	1	1	1	1
26	31	31	31	34	342
2	2	2	2	2	2
100.0	124.5	124.5	124.5	124.5	141.5
1,856	1,856	1,872	1,872	1,881	1,880
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	82	82	82	84	84
2	2	2	2	2	2
112,276	107,243	111,941	117,418	117,295	128,131
100.0	100.5	100.5	105.8	105.8	105.8
721	721	721	877	892	979
1.05 mgd	1.55 mgd	1.55 mgd	1.55 mgd	1.55 mgd	1.55 mgd
80.6	80.8	80.8	85.8	85.8	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: April 21, 2026

AGENDA ITEM CAPTION: Receive the Lockhart Freedom Act first quarterly report for 2026.

ORIGINATING DEPARTMENT AND CONTACT: Police - Gary Williamson

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: The Lockhart Police Department continues to implement sections of the Lockhart Freedom Act that are not in conflict with state and federal law. These include evidence handling protocols (Section 12.06), codification of officer discretion in low-level marijuana cases (Section 12.10), and public transparency through quarterly reporting (Section 12.12).

This first quarterly report for 2026 provides data on LPD enforcement activity related to minor marijuana possession during the most recent reporting period. Included in this report are:

- Total number of misdemeanor marijuana-related arrests and citations issued,
- Estimated personnel time devoted to enforcement of these cases,
- Demographic breakdowns (age, gender, race, and ethnicity) of individuals cited or arrested.

This report builds upon the City's efforts to promote accountability, transparency, and informed decision-making.

PROJECT SCHEDULE (if applicable): N/A.

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION: Acknowledged receipt of previous quarterly reports.

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Acknowledge receipt of first quarterly report of 2026.

LIST OF SUPPORTING DOCUMENTS: Misdemeanor Marijuana Enforcement (Jan 1, 2026 to Mar 31, 2026)

MISDEMEANOR MARIJUANA ENFORCEMENT

(Arrests & Citations)

Jan 1, 2026 to Mar 31, 2026

				SUSPECT DESCRIPTION				
DATE	**CASE NUMBER**	**ARREST/CITATION**	**CHARGE**	**AGE**	**GENDER**	**RACE**	**ETHNICITY**	**EST. MINUTES**
2/24/2026	2026020097	Arrest#*	POM<2oz	18	M	W	H	75 mins.

SCHOOLS:

1/6/2026	2026010024	Admin Juv Prob	POM<2oz Drug Free Zone	14	M	W	H	78 mins.
1/7/2026	2026010026	Admin Juv Prob	POM<2oz Drug Free Zone	15	M	W	H	60 mins.
1/23/2026	2026010091	Admin Juv Prob	POM<2oz Drug Free Zone	15	M	W	H	98 mins.
1/23/2026	2026010093	Admin Juv Prob	POM<2oz Drug Free Zone	15	M	W	H	42 mins.
1/27/2026	2026010105	Admin Juv Prob	POM<2oz Drug Free Zone	15	M	W	H	69 mins.
1/27/2026	2026010106	Admin Juv Prob	POM<2oz Drug Free Zone	15	M	W	H	51 mins.
1/27/2026	2026010107	Admin Juv Prob	POM<2oz Drug Free Zone	14	M	W	H	52 mins.
1/29/2026	2026010115	Admin Juv Prob	POM<2oz Drug Free Zone	15	M	W	H	37 mins.
1/30/2026	2026010117	Arrest	POM<2oz Drug Free Zone	18	M	W	H	65 mins.
2/5/2026	2026020017	Arrest	POM<2oz Drug Free Zone	17	M	W	H	42 mins.
2/10/2026	2026020039	Admin Juv Prob	POM<2oz Drug Free Zone	15	M	W	H	30 mins.
2/11/2026	2026020041	Admin Juv Prob	POM<2oz Drug Free Zone	15	M	W	H	25 mins.
2/11/2026	2026020043	Admin Juv Prob	POM<2oz Drug Free Zone	14	M	W	H	28 mins.
2/17/2026	2026020065	Admin Juv Prob	POM<2oz Drug Free Zone	15	M	W	H	47 mins.
2/18/2026	2026020073	Admin Juv Prob	POM<2oz Drug Free Zone	16	M	W	H	26 mins.
2/23/2026	2026020091	Admin Juv Prob	POM<2oz Drug Free Zone	14	M	W	H	35 mins.
3/25/2026	2026030087	Admin Juv Prob	POM<2oz Drug Free Zone	14	M	W	H	45 mins.

* - Possession of marijuana along with other illegal narcotics.

^ - Possession of Drug Paraphernalia citation in lieu of arrest for Possession of Marijuana.

- Possession of marijuana along with other crimes.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: April 21, 2026

AGENDA ITEM CAPTION: Acceptance of the 2nd Quarter Fiscal Year 2026 Investment Report.

ORIGINATING DEPARTMENT AND CONTACT: Finance - Keeli Michna

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: The Texas Public Funds Investment Act requires local governments to review and accept the quarterly investment reports for each quarterly reporting period of the fiscal year. The 2nd Quarter Investment Report of Fiscal Year End (FYE) 2026, ending March 31, 2026 is presented for your review and acceptance.

PROJECT SCHEDULE (if applicable):

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends a motion to accept the 2nd Quarter Investment Report for FYE 2026.

LIST OF SUPPORTING DOCUMENTS: FYE 2026 2nd Quarter Report

CITY OF LOCKHART

Quarterly Investment Report
For the Quarter Ended March 31, 2026

April 21, 2026

CITY of LOCKHART

Quarterly Investment Report

For the Quarter Ended March 31, 2026

This report is presented in accordance with the Texas Government Code, Title 10, Chapter 2256, Public Funds Investment; Section 2256.023 known as the "Public Funds Investment Act". Attached is a detailed City of Lockhart investment report for the period January 1, 2026 through March 31, 2026. The Investment Portfolio Summary reports the beginning and ending book values and market values for the quarterly reporting period as follows:

	Investment Portfolio	
	Book Value	**Market Value**
January 1, 2026		
Cash	727,507	727,507
Marketable Securities	0	0
Investment Pools	56,117,778	56,130,123
Certificates of Deposits	0	0
Total:	**56,845,285**	**56,857,631**
March 31, 2026		
Cash	547,188	547,188
Marketable Securities	0	0
Investment Pools	58,576,635	57,186,641
Certificates of Deposits	0	0
Total:	**59,123,822**	**57,733,829**

	Fund Availabilty	
January 1, 2026		
Unrestricted Funds	2,440,885	2,440,885
Restricted Funds	54,404,400	54,416,746
Total Funds	**56,845,285**	**56,857,631**
March 31, 2026		
Unrestricted Funds	5,297,397	5,297,397
Restricted Funds	53,826,425	52,436,432
Total Funds	**59,123,822**	**57,733,829**

The investment portfolio, at all times during the quarter, complied with the Public Funds Investment Act and the City of Lockhart Investment Policy. TexPool, Texas CLASS and TexSTAR were also in compliance with the Public Funds Investment Act and the City of Lockhart Investment Policy throughout the quarter.

Joseph Resendez
City Manager

Keeli Michna
Finance Director

CITY of LOCKHART

Investment Portfolio Summary

For the Quarter Ended March 31, 2026

	March 31, 2026			
	9/30/2024	% of Total	Market Value	% of Total
January 1, 2026				
Cash	727,507	1.3%	727,507	1.3%
Marketable Securities	0	0.0%	0	0.0%
Investment Pools	56,117,778	98.7%	56,130,123	98.7%
Certificates of Deposits	0	0.0%	0	0.0%
Portfolio Total	**56,845,285**	**100.0%**	**56,857,631**	**100.0%**
March 31, 2026				
Cash	547,188	0.9%	547,188	0.9%
Marketable Securities	0	0.0%	0	0.0%
Investment Pools	58,576,635	99.1%	57,186,641	99.1%
Certificates of Deposits	0	0.0%	0	0.0%
Portfolio Total	**59,123,822**	**100.0%**	**57,733,829**	**100.0%**
Change in Value				
Cash	(180,320)		(180,320)	
Marketable Securities	0		0	
Investment Pools	2,458,857		1,056,518	
Certificates of Deposits	0		0	
Portfolio Total	**2,278,537**		**876,198**	
	0			

Maturity Data	Book Value @ 3/31/2026	Weighted Average Maturity	Yield to Maturity
Cash	547,188	0 Days	1.00%
Marketable Securities	0	0 Days	0.00%
Investment Pools - Texas CLASS	21,818,438	49 Days *	3.81%
Investment Pools - TexPool	18,275,007	44 Days *	3.67%
Investment Pools - TexSTAR	17,095,755	36 Days *	3.68%
Certificates of Deposits	0	0 Days	0.00%
	57,736,388	43 Days	3.70%

Benchmark - 6 Week Treasury Bills - Secondary Market @ March 31, 2026 3.71%

* Weighted Average Maturity of Pool Investments - City funds are available from pools upon request.

Total Return On Investment	Interest Earned
Cash	3,263
Marketable Securities	0
Investment Pools - Texas CLASS	204,761
Investment Pools - TexPool	150,242
Investment Pools - TexSTAR	154,649
Certificates of Deposits	0
Total Return on Investment	512,916

CITY OF LOCKHART

Cash Accounts (as reconciled to FLNB)

For the Quarter Ended March 31, 2026

General Operating Account - FLNB		
		Value
January 1, 2026	$	727,507
Deposits		14,548,410
Withdrawals		(14,731,993)
Interest Earned		3,263
March 31, 2026	$	547,188

Total Cash Accounts		
		Value
January 1, 2026	$	727,507
Deposits		14,548,410
Withdrawals		(14,731,993)
Interest Earned		3,263
March 31, 2026	$	547,188

CITY of LOCKHART
Marketable Securities Transaction Summary
For the Quarter Ended March 31, 2026

Type of Security	CUSIP	Purchase Date	Par Value	Coupon 0.34%	Date of Maturity	Yield to Maturity	Purchase Price	Quarterly Interest Earned	Beginning Value @ Par	Beginning Book Value	Beginning Market Value	Ending Value @ Par	Ending Book Value	Ending Market Value
									January 1, 2026			March 31, 2026		
								-						0
								-						0
Totals			$ -				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Purchases

Type of Security	CUSIP	Purchase Date	Par Value	Coupon Rate	Date of Maturity	Yield to Maturity	Settlement Total	Price	Accrued Interest
Totals			$ -				$ -		$ -

Maturities

	Purchase Date	Par Value	Coupon Rate	Date of Maturity	Yield to Maturity	Settlement Total
$ -						
Totals		$ -	0.59%			$ -

CITY OF LOCKHART

Investment Pool Transactions Summary

For the Quarter Ended March 31, 2026

TexPool - City of Lockhart					
	Book Value	Market Value	Net Asset Value	Weighted Aver. Maturity	Average Monthly Yield
January 1, 2026	17,562,995	17,566,859	1.000220	35 Days	3.8300%
Deposits	6,100,000				
Withdrawals	(5,538,230)				
Interest Earned	150,242				
March 31, 2026	18,275,007	18,274,276	0.999960	44 Days	3.6700%

Texas CLASS					
	Book Value	Market Value	Net Asset Value	Weighted Aver. Maturity	Average Monthly Yield
January 1, 2026	21,613,676	21,617,702	1.000186	45 days	4.3507%
Deposits	0				
Withdrawals	0				
Interest Earned	204,761				
March 31, 2026	21,818,438	21,815,293	0.999856	49 days	3.8110%

TexSTAR					
	Book Value	Market Value	Net Asset Value	Weighted Aver. Maturity	Average Monthly Yield
January 1, 2026	16,941,106	16,945,562	1.000263	43 Days	3.8246%
Deposits	0				
Withdrawals	0				
Interest Earned	154,649				
March 31, 2026	17,095,755	17,097,072	1.000077	36 Days	3.6770%

(*) Feburary 28, 2026

Total of All Pools		
	Book Value	Market Value
January 1, 2026	57,505,212	57,517,862
Deposits	6,100,000	
Withdrawals	(5,538,230)	
Interest Earned	509,653	
March 31, 2026	58,576,635	57,186,641

CITY of LOCKHART
Certificates of Deposit Transaction Summary
For the Quarter Ended March 31, 2026

Holdings During the Quarter

CD Number	Holder	Purchase Date	Face Value	Interest Rate	Date of Maturity	Yield to Maturity	Purchase Price	Quarterly Interest Earned	Beginning Face Value January 1, 2026	Beginning Market Value January 1, 2026	Ending Face Value March 31, 2026	Ending Market Value March 31, 2026
			$ -				$ -	$ -	$ -	$ -	$ -	$ -

Purchases

CD Number	Holder	Purchase Date	Face Value	Interest Rate	Date of Maturity	Yield to Maturity	Purchase Price
			$ -				$ -

Maturities

CD Number	Holder	Purchase Date	Face Value	Interest Rate	Date of Maturity	Yield to Maturity	Settlement Total
			$ -				$ -

City of Lockhart

Investment Pools

Standard and Poor's Ratings

Month	TexPool	TexSTAR	Texas CLASS
April-25	AAAm	AAAm	AAAm
May-25	AAAm	AAAm	AAAm
June-25	AAAm	AAAm	AAAm
July-25	AAAm	AAAm	AAAm
August-25	AAAm	AAAm	AAAm
September-25	AAAm	AAAm	AAAm
October-25	AAAm	AAAm	AAAm
November-25	AAAm	AAAm	AAAm
December-25	AAAm	AAAm	AAAm
January-26	AAAm	AAAm	AAAm
February-26	AAAm	AAAm	AAAm
March-26	AAAm	AAAm	AAAm

City of Lockhart

Bank Collateralization

Standard and Poor's Ratings

Month			FLNB Collateralization *
April-25			AAA
May-25			AAA
June-25			AAA
July-25			AAA
August-25			AAA
September-25			AAA
October-25			AAA
November-25			AAA
December-25			AAA
January-26			AAA
February-26			AAA
March-26			AAA

* Guaranteed by US government (AAA)

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: April 21, 2026

AGENDA ITEM CAPTION: Receive the Mid-Year Financial Report for FYE 2026.

ORIGINATING DEPARTMENT AND CONTACT: Finance -

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: In an effort to keep the City Council updated and informed on the City of Lockhart's budget, a mid-year financial status report is presented that focuses on financial and operational performance and provides updates on revenues and expenditures for the remainder of the fiscal year. This financial management practice is recommended by the Government Finance Officers Association (GFOA).

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: FYE 2026 - Mid-Year Financial Report

Lockhart Financial Focus

Oct. 2025 – Mar. 2026

Mid-Year of FYE 2026

GENERAL FUND REVENUES
THROUGH THE 2ND QUARTER (50% OF BUDGET)

- **Property Tax revenues are at 106% of the FYE 2026 budget.** The majority of property tax revenues are collected in December and January of the fiscal year. The budget for this revenue category assumes a conservative collection rate for property taxes. Exceeding the budget reflects a higher than anticipated collection rate.

- **Sales Tax revenues are at 50% of the FYE 2026 budget.** Sales tax deposits are received by the City two months after they are remitted to the State Comptroller; January, February, and March deposits reflect sales from the preceding November, December, January, respectively. The City imposes a 1.5% tax rate on retail sales within the city limits with 1% allocated to the City's General Fund and 0.5% allocated to the Lockhart Economic Development Corporation (LEDC).

- **License and Permit revenues are at 39% of the FYE 2026 budget.** Staff anticipates this revenue category to realign with projections once additional phases of new residential and commercial developments begin construction.

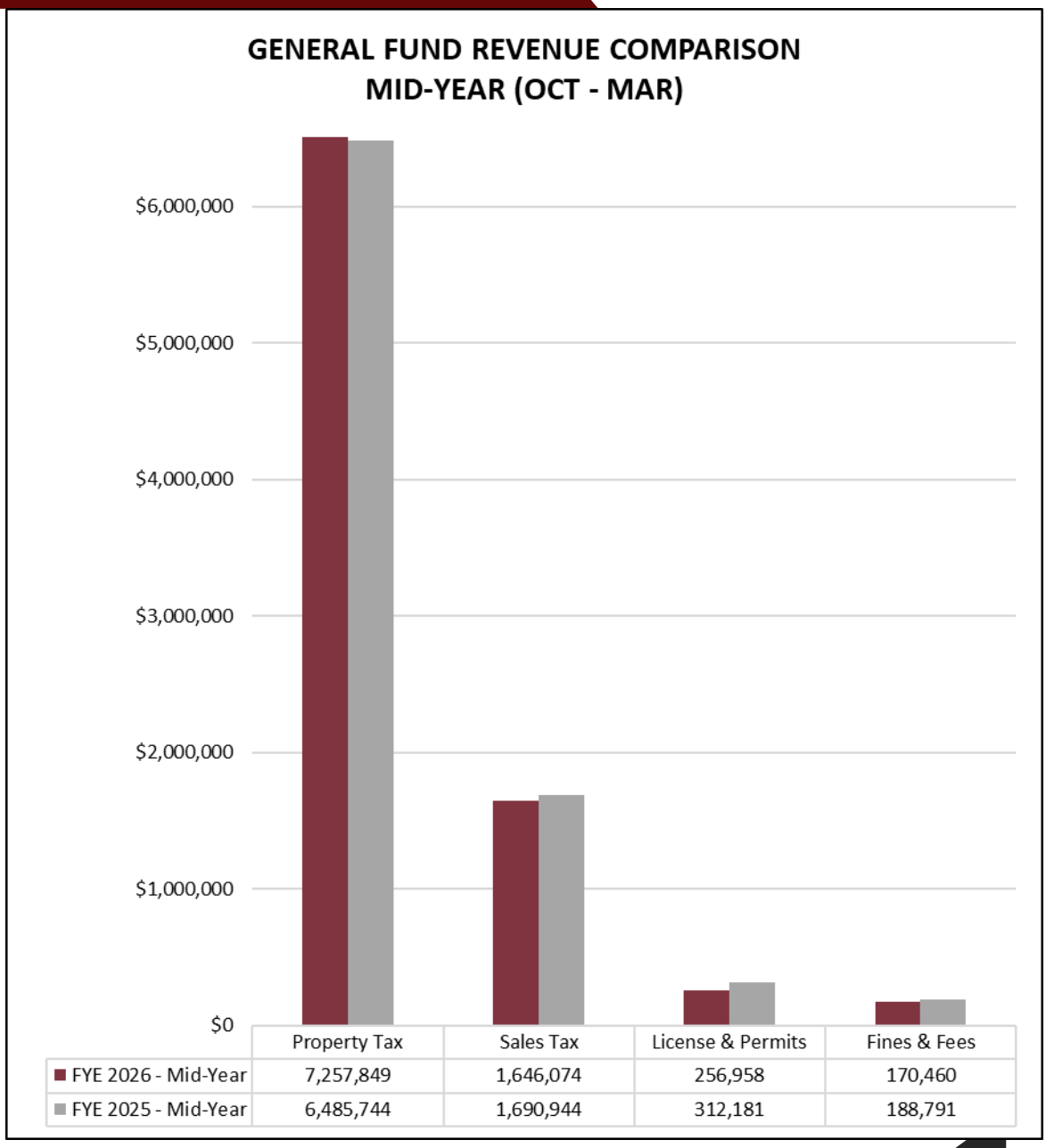
- **Interest earnings are at 46% of the FYE 2026 budget.** Interest earnings have a slight decrease in FY 2026 due to recent rate cuts by the Federal Reserve. Staff will continue to monitor these investment returns in the Quarterly Investment Reports provided to Council.

Revenue Category	FYE 2025 Mid-Year	FYE 2026 Mid-Year	FYE 2026 Adopted Budget	% Budget
Property Tax	6,485,744	7,257,849	6,824,684	106%
Sales Tax	1,690,944	1,646,074	3,307,628	50%
Other Taxes	189,420	216,752	429,210	51%
License & Permits	383,328	256,958	657,750	39%
Interest	230,271	172,700	375,000	46%
Transfer	2,175,758	2,223,974	4,447,848	50%

Lockhart Financial Focus

Oct. 2025 – Mar. 2026

Mid-Year of FYE 2026



	Property Tax	Sales Tax	License & Permits	Fines & Fees
FYE 2026 - Mid-Year	7,257,849	1,646,074	256,958	170,460
FYE 2025 - Mid-Year	6,485,744	1,690,944	312,181	188,791

Mid-Year of FYE 2026

UTILITY FUND REVENUES
THROUGH THE 2ND QUARTER (50% OF BUDGET)

- **Electric revenues are at 49% of the FYE 2026 budget.** Increased revenues are expected during the peak months of the summer. Compared to FYE 2025 YTD, Electric revenues increased 6%. This is primarily due to new utility accounts and increased power consumption.

- **Water and Wastewater Rates.** In November 2025, the City implemented new water and wastewater rate increases as recommended by the City's utility rate consultants (Raftelis). Beginning with the second billing cycle in November 2025, the rate increases were structured to have the least impact on customers who use the least amount of water while still maintaining quality service delivery and financial integrity for the Water and Wastewater utilities. Subsequent increases in these revenues are due in large part to the rate increases and compounded by the growth in new utility accounts.

- **Water revenues are at 56% of the FYE 2026 budget.** Water revenues typically increase during summer months. However, these increases may be tempered by seasonal water use restrictions. Compared to FYE 2025 YTD, Water revenues increased 30%.

- **Wastewater revenues are at 56% of the FYE 2026 budget.**

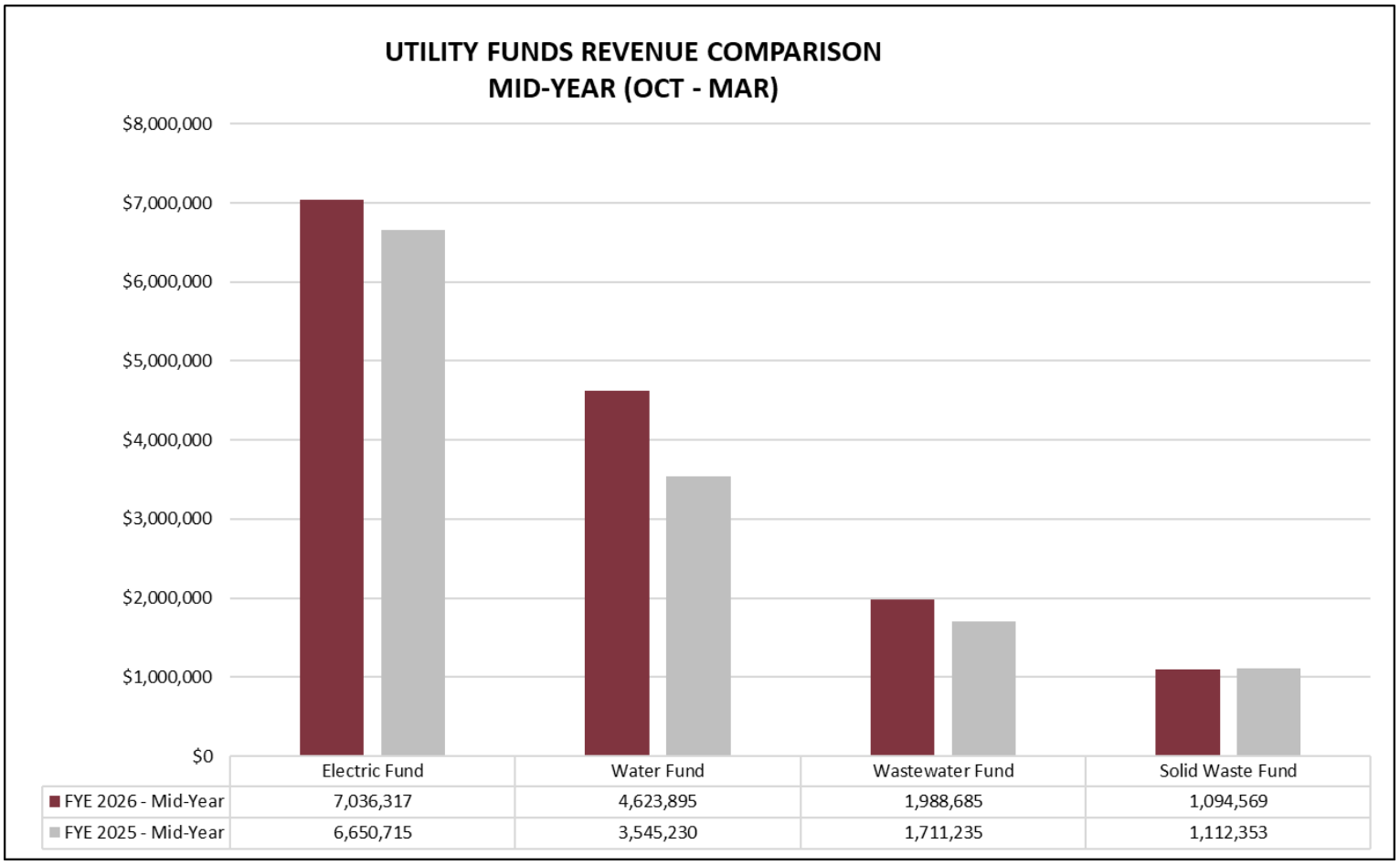
- **Solid Waste revenues are at 48% of the FYE 2026 budget.**

Revenue Category	FYE 2025 Mid-Year	FYE 2026 Mid-Year	FYE 2026 Adopted Budget	% Budget
Electric Fund	6,650,715	7,036,317	14,388,100	49%
Water Fund	3,545,230	4,623,895	8,304,087	56%
Wastewater Fund	1,711,235	1,988,685	3,566,500	56%
Solid Waste Fund	1,112,353	1,094,569	2,283,014	48%

Lockhart Financial Focus

Oct. 2025 – Mar. 2026

Mid-Year of FYE 2026



	Electric Fund	Water Fund	Wastewater Fund	Solid Waste Fund
FYE 2026 - Mid-Year	7,036,317	4,623,895	1,988,685	1,094,569
FYE 2025 - Mid-Year	6,650,715	3,545,230	1,711,235	1,112,353

Mid-Year of FYE 2026

GENERAL FUND EXPENDITURES
THROUGH THE 2nd QUARTER (50% OF BUDGET)

The General Fund is currently operating $1,770,384 revenues over expenditures. This is primarily due to the receipts of budgeted Property Tax revenues within this reporting period. These revenues represent 60% of General Fund revenues received YTD. Departments with higher than 50% budgeted expenditures are the following:

- **Mayor/Council expenditures are at 88% of the FYE 2026 budget** due to the annual budgeted non-profit payments.

- **Finance Department expenditures are at 60% of the FYE 2026 budget** due to an annual payment made to our third-party financial software provider at the beginning of the fiscal year.

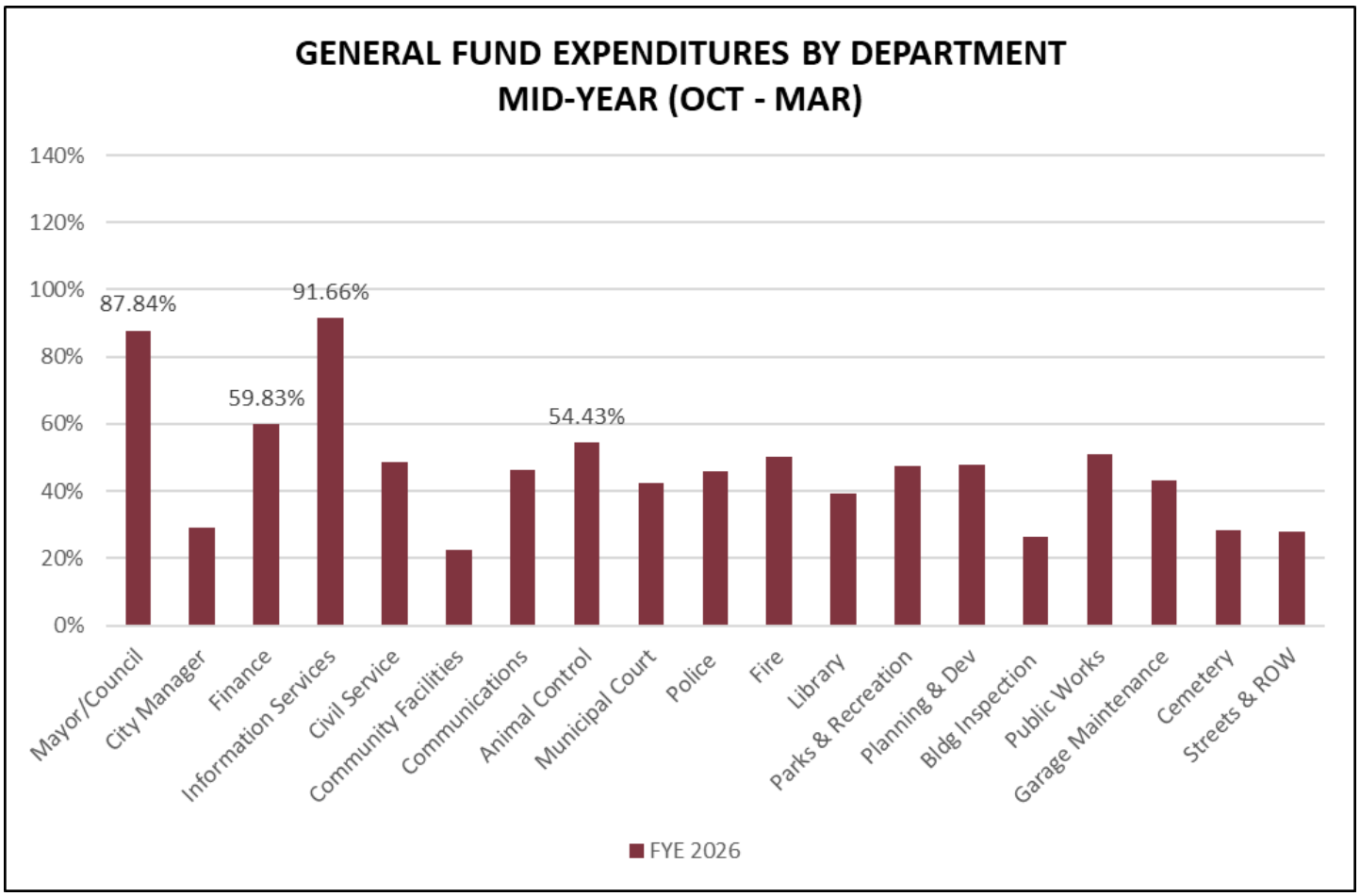
- **Information Services department expenditures are at 92% of the FYE 2026 budget** due to an annual payment made to the new City website vendor at the beginning of the year.

- **Animal Control department expenditures are at 54% of the FYE 2026 budget** due to a one-time expenditure for the installation and construction of dog kennels.

Lockhart Financial Focus

Oct. 2025 – Mar. 2026

Mid-Year of FYE 2026



UTILITY FUND EXPENDITURES
THROUGH THE 2nd QUARTER (50% OF BUDGET)

- **The Electric Fund is operating ($1,205,003), expenditures over revenues.** The Electric Billing department is at 86% of the FYE 2026 budget due to an annual software payment and processing fees for credit card utility account payments. The Electric Distribution department is at 54% of the FYE 2026 budget. The Electric non-departmental is at 56% of the FYE 2026 budget due to wholesale power cost. As previously discussed, increased revenues are expected during the peak months of the summer.

- **The Water Fund is operating $332,746, revenues over expenditures.** The Water Distribution department is at 63% of the FYE 2026 budget due to the GBRA expenditures for water treatment plant operations. These operational costs are billed at a budgeted rate throughout the fiscal year. The actual operation expenditures are reconciled at fiscal year-end. If billed payments are greater than actual costs, the City receives reimbursement. If billed payments are less than actual costs, the City pays the difference. The year-end reconciliation and subsequent expenditure account adjustments are anticipated to balance the fund.

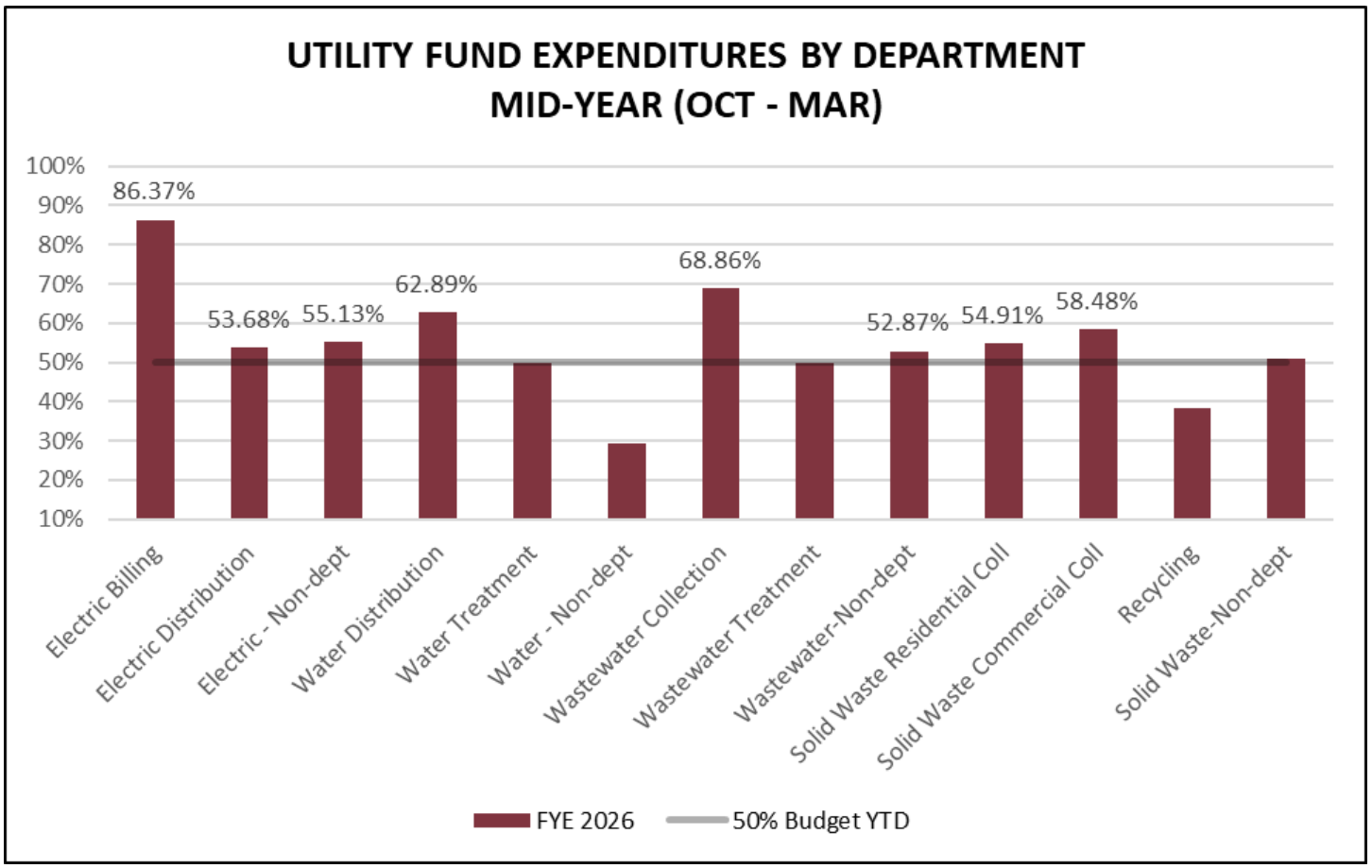
- **The Wastewater Fund is operating $72,583, revenues over expenditures.** The Wastewater Collection and Wastewater Treatment departments are at 69% and 50% respectively. The Wastewater Treatment department includes payments to GBRA for maintenance and operations. These payments follow the same reconciliation process described in the Water Fund above.

- **The Solid Waste Fund is operating ($114,127) expenditures over revenues.** The Solid Waste Residential Collection and Solid Waste Commercial Collection departments are at 57% combined. This includes payments to Republic Services for administration and operations of the Solid Waste utility. This also includes the operations of the Recycling center.

Lockhart Financial Focus

Oct. 2025 – Mar. 2026

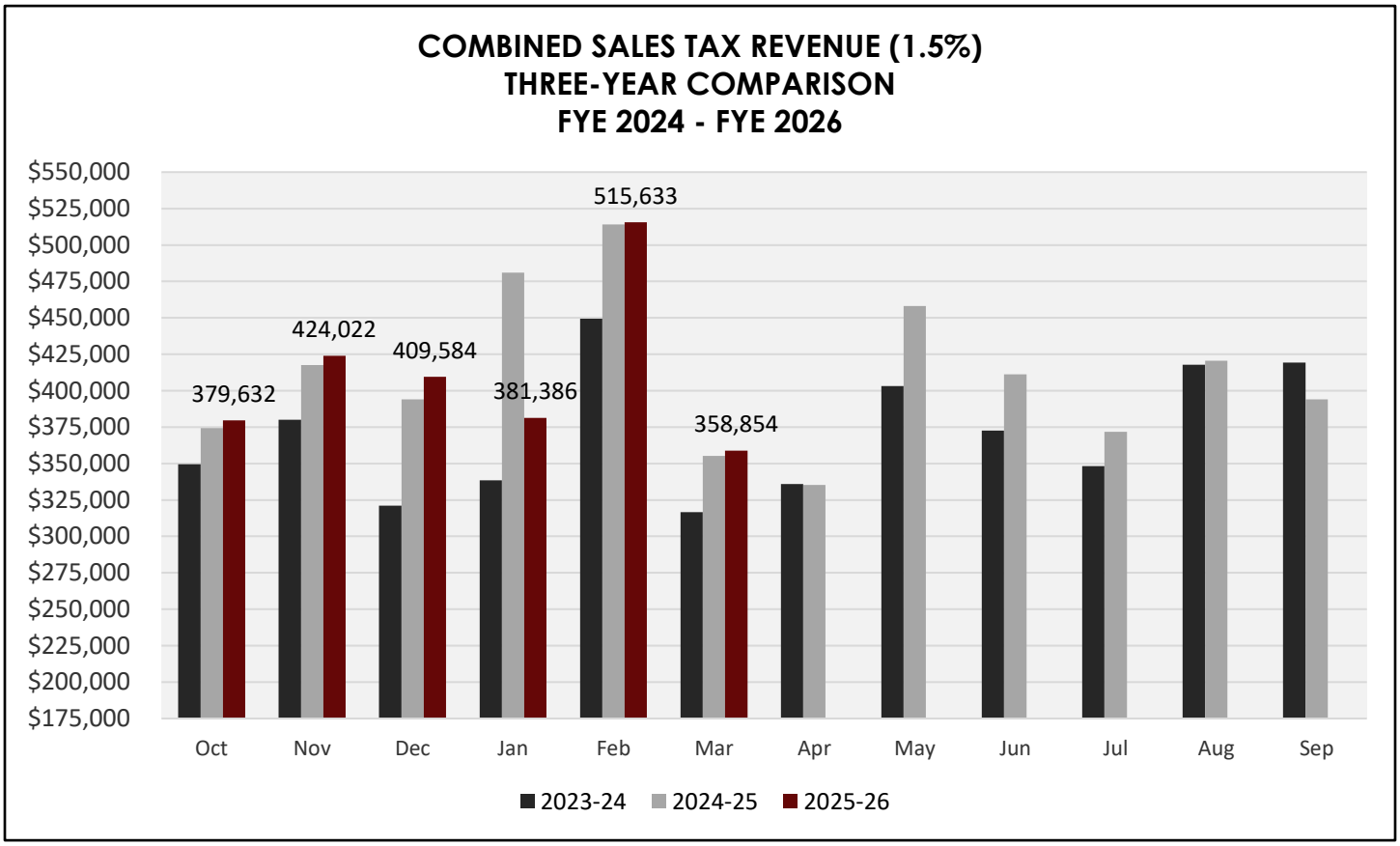
Mid-Year of FYE 2026



Lockhart Financial Focus

Oct. 2025 – Mar. 2026

Mid-Year of FYE 2026



Total Sales Tax (1.5%): Total combined collections to date for FYE 2026 are $2,469,111. The February 2026 sales tax deposit received for December 2025 sales is the highest amount the City has ever collected.

City Allocation (1.0%):

Total collections for the City of Lockhart to date for FYE 2026 are $1,646,074.

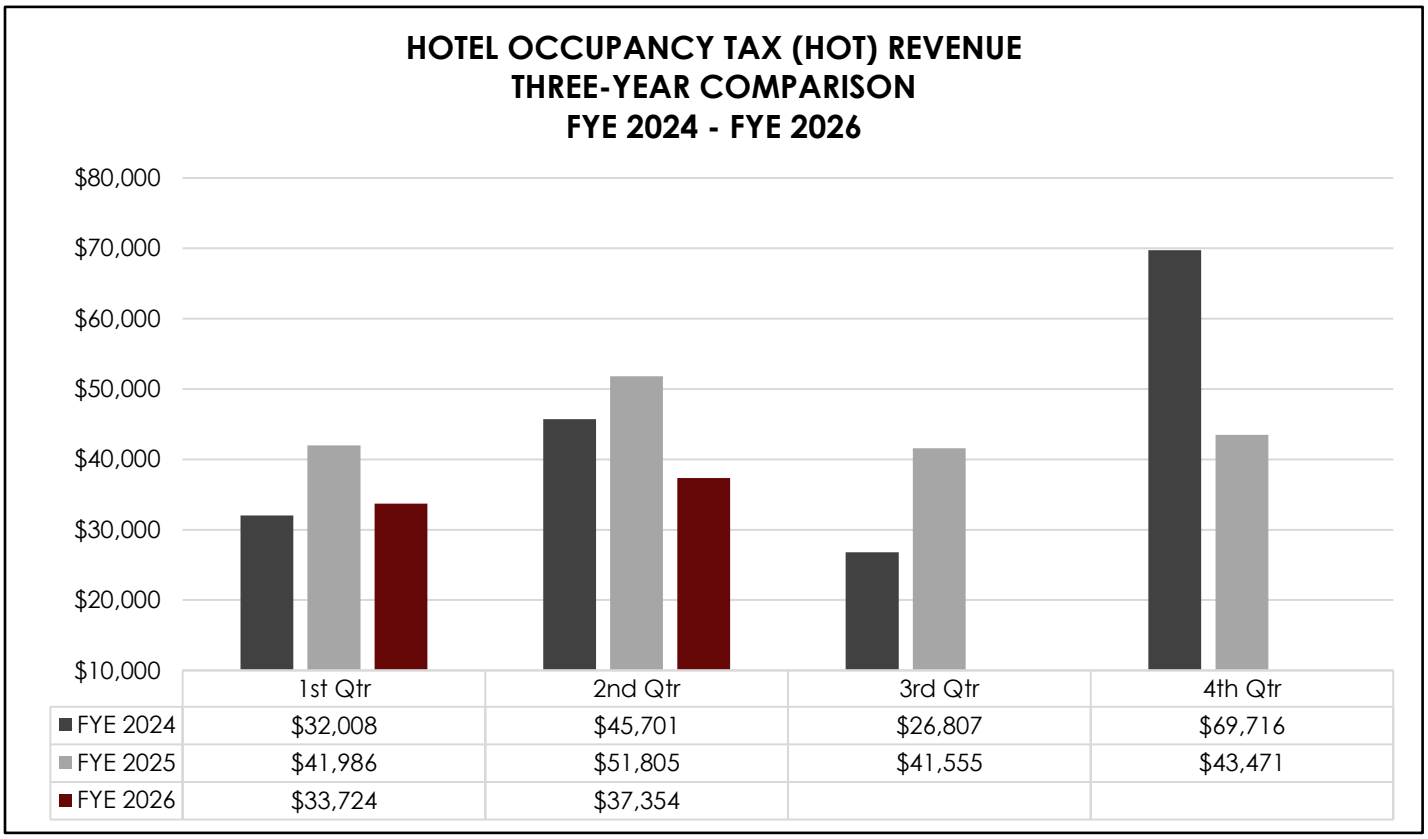
Lockhart Economic Development Corp. (LEDC) Allocation (0.5%):

Total collections for the LEDC to date for FYE 2026 are $823,037.

Lockhart Financial Focus

Oct. 2025 – Mar. 2026

Mid-Year of FYE 2026



	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
FYE 2024	$32,008	$45,701	$26,807	$69,716
FYE 2025	$41,986	$51,805	$41,555	$43,471
FYE 2026	$33,724	$37,354		

Hotel Occupancy Tax (HOT):

HOT revenues in Q2 for FYE 2026 are $37,354 compared to $51,805 collected in Q2 for FYE 2025. The City anticipates revenues to increase due to the approval of Ordinance 2026-02 requiring the City's tax to be collected by short-term rental platforms.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: April 21, 2026

AGENDA ITEM CAPTION: Approve the Preliminary Budget and Tax Calendar for Fiscal Year 2026-2027.

ORIGINATING DEPARTMENT AND CONTACT: Finance - Keeli Michna

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: This document is the preliminary budget and tax calendar for Fiscal Year (FY) 2026-2027. Tentative dates are subject to Council acceptance of the proposed Council workshops. The budget workshops will provide dedicated days for management to present and discuss the City Manager's FY 2026-2027 Proposed Budget.

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: FYE 2027 - Budget and and Tax Calendar

FY 2026-2027

DATES	BUDGET CALENDAR	CITY OF LOCKHART, TX
April 9	Budget kick-off with Department Heads and administrative staff.	
April 21	Present Budget Calendar to Council.	
April 30	Chief appraiser prepares and certifies preliminary estimate of taxable values.	
May 8	Departmental operating budget requests due to the Finance department and City Manager.	
May 11 – 22	City Manager meetings with Department Heads to review budget expenses & needs.	
May 29	Revised department budgets due to Finance Director.	
June 2	Distribution of City Manager's Preliminary Budget.	
June 8	LEDC meeting w/Budget workshop.	
June 10 (Wed)* June 11 (Thur)*	Budget Workshop I to review General Fund budget. Budget Workshop II to review Enterprise & Special Revenue Funds budgets.	
June 16	Presentation of GBRA & CCAD Budget. Non-Profits Presentation to Council.	
July 22 (Wed)* July 23 (Thur)*	Budget Workshop III to review personnel compensation and benefits and the Comprehensive Fee Schedule. Budget Workshop III to review Capital Improvement Program (CIP) [water, wastewater, facilities, streets, parks, etc.].	
July 25	Chief Appraiser certifies the appraised roll to taxing units.	
July 31	File City Manager's Proposed Budget with City Secretary.	
August 4	City Manager presents Proposed Budget to Council; LEDC presents LEDC Budget to Council; set two public hearings on proposed budget.	
	City Council sets proposed tax rate; record vote; schedule public hearing.	
August 18	Public Hearing No. 1 on Proposed Budget.	
August 19 August 26	First *Notice of Public Hearing* on Proposed Tax Rate in Lockhart Post. Second *Notice of Public Hearing* on Proposed Tax Rate in Lockhart Post (at least 5 days before public hearing).	
September 1	Public Hearing No. 2 on Proposed Budget; Public Hearing No. 1 on Proposed Tax Rate. City Council to adopt Budget, approve LEDC Budget; and adopt tax rate.	
September 8	Last day for meeting to adopt Proposed Tax Rate if rate is not adopted September 1st.	
October 1	New Fiscal Year	
November 30	Deadline for Budget distribution to City Council, Caldwell County Clerk, City Hall, Municipal Library, and post to City's website.	

Regular Council Meetings | * Tentative workshop dates subject to Council availability.

Date: 04/21/26

REGULAR MEETING
LOCKHART CITY COUNCIL MARCH 18, 2025 6:30 P.M.

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

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

Council absent:
Mayor Lew White

Staff present:
Steve Lewis, City Manager
Joseph Resendez, Assistant City Manager
David Fowler, Planning Director
Gary Williamson, Police Chief
Travis Hughes, Parks Director
Tatiana Salazar, Public Information Officer
Jennifer Richie, City Attorney
Julie Bowermon, City Secretary
Andrew Devaney, Building Official
Randy Jenkins, Fire Chief
Keeli Michna, Finance Director

Citizens/Visitors Addressing the Council: Amy Bramwell of Studio Steinbomer; and Citizens, Jenna McCann and Joseph Shaffer.

Work Session 6:30 p.m.
Mayor Pro-Tem Sanchez announced that Mayor Lew White will not attend the meeting. She 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. DISCUSS CITY COUNCIL MINUTES OF THE APRIL 16, 2024 AND MAY 7, 2024 MEETINGS.
Mayor Pro-Tem Sanchez requested corrections to the minutes. There were none.

B. PRESENTATION AND DISCUSSION OF LOCKHART FREEDOM ACT FIRST QUARTERLY REPORT.
Chief Williamson stated that On November 5, 2024, Lockhart voters approved a charter amendment known as the Lockhart Freedom Act, which aimed to "reform marijuana enforcement by city personnel" and decriminalize the possession of marijuana for four (4) ounces or less. On December 3, 2024, Lockhart City Council passed a resolution acknowledging the passage of the Lockhart Freedom Act and its incorporation into the City Charter, while also acknowledging that state law prohibits cities from not fully enforcing drug laws, including those related to low-level cannabis enforcement. The resolution passed by the Lockhart City Council on December 3, 2024, calls on the Texas Legislature and U.S. Congress to provide clarification and guidance regarding ordinances similar to the Lockhart Freedom Act. Prior to the passage of the Lockhart Freedom Act, Lockhart Police made 75 arrests related to all drug possession charges in 2024. In 2023, Lockhart Police made approximately 99 drug related arrests. However, not all drug arrests were linked to marijuana possession. The discovery of illegal marijuana possession may be used, at the officer's discretion, to continue an investigation of other crimes. This includes driving under

the influence, possession of a controlled substance, firearms violations, or other crimes that affect public safety. Chapter 370.003 of the Texas Local Government Code provides that cities not adopt policies that do not fully enforce applicable state and federal drug laws, including marijuana. The Texas Code of Criminal Procedure, which vests police officers with the authority and duty to enforce state law, also potentially conflicts with the City of Lockhart's marijuana decriminalization charter amendment. Potentially inhibiting peace officers from fully enforcing drug laws could put officers in danger and hamper recruitment and retention efforts. For these reasons, the City of Lockhart and the Lockhart Police Department worked with the City Attorney's Office to implement provisions of the Lockhart Freedom Act that are not in conflict with state and federal law. After review, the City Attorney identified three sections that can be implemented to varying degrees:

- **Section 12.06 – Handling of Evidence:** Lockhart Police Department (LPD) officers currently document all illegal narcotics seizures. A report is filed detailing the grounds for each seizure, and all evidence is securely stored in accordance with the department's Evidence Policy.
- **Section 12.10 – Training & Policy Updates:** While LPD officers retain discretion to issue citations for possession of marijuana under two ounces, this practice has now been formally codified in Policy 7.46 – Marijuana Enforcement.
- **Section 12.12 – Quarterly Reports:** The LPD submits quarterly reports covering adult and juvenile arrests and citation counts. Moving forward, these reports will also include data on misdemeanor marijuana possession offenses, including:
    - Total arrests and citations issued,
    - Estimated personnel hours dedicated to enforcement,
    - Demographic breakdowns of individuals charged (age, gender, race, and ethnicity).

This update provides transparency on enforcement practices.

C. DISCUSS THE SCOPE OF WORK FOR THE REMODEL OF FIRE STATION NO. 1 LOCATED AT 201 W. MARKET ST. BASED ON THE 50% CONSTRUCTION DRAWINGS.

Mr. Resendez stated that previously, on September 17, 2024, the City Council approved Resolution 2024-24 to award the contract for Construction-Manager-At-Risk (CMAR) to D. Wilson Construction Co. for the remodel of Fire Station #1. Also, at the same meeting, Resolution 2024-23 was approved for the contract proposal of Studio Steinbomer to provide professional architectural and engineering services for the Fire Station #1 remodel. The construction documents have been approximately 50% completed by Studio Steinbomer and construction costs have been estimated and updated by D. Wilson Construction Co. based on current cost of labor and materials. Due to the price feedback from sub-contractors and suppliers and the CMAR's cost of services, the cost of the original base scope of work increased from the previous project estimate of $735,000. Staff worked with Studio Steinbomer and D. Wilson to develop a reduced base scope for essential items and remove exterior improvements as an add-alternate to the project. Further, based on feedback from Studio Steinbomer, an assessment of the roof was completed by an outside consultant. The results of the assessment provided the following summary:

'We find the low-sloped roofs to be in fair condition. We find the sloped tile roof functioning as intended without indications of water intrusion. We find the bell tower roof to be seriously deteriorated and the bell tower framing to be in fair condition. Therefore, we recommend maintenance-type repairs to the low-sloped roofs and the bell tower mounting and cable bracing. We recommend replacement of the cementitious [cement asbestos] tile roofs. We recommend replacement of the bell tower roof, and cleaning and coating of the bell tower framing. We recommend scheduling a wholesale replacement of the low-sloped roofs in the future."

Based on this assessment, an option to include the roof as an add-alternate are also included below.

The updated project costs, including the roof and exterior improvements as add-alternates to the base scope, are provided below. Each option includes the following costs: 10% construction contingency, contractor costs for general conditions, contractor's construction fees, architectural design services, and asbestos abatement.

Original Base - $1,577,251
Demolition, life safety systems, electrical, plumbing, drywall, flooring, HVAC, paint, appliances, diesel exhaust system, acoustic ceiling, framing, casework, repointing masonry, and shower, etc. Overhead doors, replacement windows, signage, and exterior painting.

Option 1 - Reduced Base - $1,269,923
Demolition, life safety systems, electrical, plumbing, drywall, flooring, HVAC, paint, appliances, diesel exhaust system, acoustic ceiling, framing, casework, repointing masonry, and shower, etc. Overhead doors, replacement windows, signage, and exterior painting. Reduction in cost allowance for various smaller line-items.

Option 2 - Reduced Base + Roof - $1,522,353 (+ $252,430)
Abatement and replacement of the cementitious [cement asbestos] tile roofs. Replacement of the bell tower roof and replacement of the low-sloped roof. Also includes costs for required contract amendments to the Architect and CMAR agreements. Requires a review by Lockhart Historical Commission.

Option 3 - Reduced Base + Roof + Exterior Improvements - $1,817,939 (+ $548,016)
Abatement and replacement of the cementitious [cement asbestos] tile roofs. Replacement of the bell tower roof and replacement of the low-sloped roof. Also includes costs for required contract amendments to the Architect and CMAR agreements. Overhead doors, replacement windows, signage, and exterior painting. Requires a review by Lockhart Historical Commission.

Staff request guidance from the City Council on the scope of work to move forward with to complete the construction documents and determining the Guaranteed Maximum Price (GMP). Once the GMP is determined based on the revised scope of work, it will be brought back to the City Council for final approval.

Amy Bramwell of Studio Steinbomer and Chief Jenkins explained the process to replace the roof of Fire Station No. 1. There was discussion.

D. DISCUSS RESOLUTION 2025-10 TO UPDATE PARK PAVILION AND SWIMMING POOL RENTAL FEES.
Mr. Hughes stated that an update to park pavilion and swimming pool fees was presented to Council on March 4, 2025. This Resolution will update these fees as indicated in Exhibit A. There was discussion.

E. DISCUSS ORDINANCE 2025-06 TO ADOPT A UTILITY SERVICE FEE SCHEDULE.
Ms. Michna stated that the proposed ordinance will establish a comprehensive utility service fee schedule, streamlining the utility billing process. This schedule includes updates to existing fees and recommendations for new service fees. The new service fees include charges for meter tampering and multiple trip fees—one for normal business hours and another for after-hours service. The proposed fee increases apply to reconnect fees and bucket truck usage fees, with a $25 increase to account for inflation and rising expenses related to these services. Fees that will remain unchanged include customer deposits

for both electric and water services, as well as the meter testing fee. The purpose of this ordinance is to consolidate utility service fees into a single, easily accessible schedule, improving both public transparency and internal efficiency. There was discussion.

F. DISCUSS THE REAL ESTATE SALES CONTRACT AND AUTHORIZING THE PURCHASE OF A PROPERTY LOCATED AT 120 W. MLK JR. INDUSTRIAL BOULEVARD IN THE AMOUNT OF $1,750,000 FOR CONVERSION INTO AN INDOOR RECREATION CENTER AS A NEED IDENTIFIED IN THE PARKS, RECREATION, & OPEN SPACE MASTER PLAN AND AUTHORIZING CLOSING COSTS ASSOCIATED WITH THE PURCHASE IN AN ESTIMATED AMOUNT OF $10,000.

Mr. Resendez stated that the City's *Lockhart Looking Forward Comprehensive Plan* and *Parks, Recreation & Open Space Master Plan* identified the need for an indoor recreation center as a community priority. The property (the "Property") located at 120 W. MLK Jr. Industrial Boulevard (Caldwell County Tax Appraisal District ID 39089) includes an existing theater building with accessibility from US 183, adequate parking, and ample interior space. He referred to a preliminary acquisition and conversion plan for converting the theater into a multi-purpose indoor recreation center, highlighting site details, renovation plans, staffing needs, and long-term community benefits. Staff reviewed the Property listing with Council and an appraisal was ordered. Following the appraisal review, the Council authorized staff to negotiate a Purchase and Sale agreement with the owner. The property was originally listed for $2,600,000. The listing price as of November 15, 2024 was $2,300,000. The appraised value was $1,650,000. The final negotiated purchase price for the property is $1,750,000, with estimated closing costs not exceeding $10,000. The City is not paying any real estate commissions. The acquisition of this property will allow the City to provide an indoor recreation center to residents much sooner and at a lower cost than constructing a new facility, which is estimated to take 6–8 years and $15-$20 million to construct and furnish. If approved, the next step is the procurement of a professional architectural/engineering design firm.

Mr. Hughes provided information and there was discussion about the potential indoor recreation uses.

RECESS: Mayor White announced that the Council would recess for a break at 7:31 p.m.

ITEM 1. CALL TO ORDER,

Mayor Pro-Tem Sanchez called the meeting to order at 7:46 p.m.

ITEM 2. INVOCATION, PLEDGE OF ALLEGIANCE.

Councilmember Castillo gave the Invocation and led the Pledge of Allegiance to the United States and Texas flags.

ITEM 3. PUBLIC COMMENT.

Mayor Pro-Tem Sanchez requested citizens to address the Council.

Jenna McCann, 2115 Windsor Blvd., stated that she is speaking on behalf of the multi-family residential buildings. She requested that the city revise the temporary banner sign ordinance to allow temporary banners and directional signs to their building to attract new tenants.

Joseph Shaffer, expressed concern about the traffic safety at FM 20 and FM 1322. He suggested that a traffic signal light be installed at the intersection for traffic safety precautions. He spoke in favor of a community recreation center.

Mayor Pro-Tem Sanchez requested additional citizens to address the Council. There were none.

ITEM 4-A. HOLD A PUBLIC HEARING AND CONSIDER APPROVAL OF ORDINANCE 2025-03, ANNEXING 84.981 ACRES OUT OF THE JOHN A. NEILL SURVEY, ABSTRACT 20, CALDWELL COUNTY, TEXAS, LOCATED EAST OF THE INTERSECTION OF FM 1322 AND CENTERPOINT ROAD AND ADDRESSED AS 2500 FM 1322.

Mayor Pro-Tem Sanchez announced that the public hearing will be postponed until May 6, 2025.

Mr. Fowler stated that this is the last postponement that will be granted to the applicant. If the applicant is not prepared to proceed with the public hearing on May 6, 2025, the application will be withdrawn.

ITEM 4-B. HOLD A PUBLIC HEARING ON APPLICATION ZC-24-08 BY TALLEY J. WILLIAMS ON BEHALF OF BLACKJACK BLOCK, LLC AND DISCUSSION AND/OR ACTION ON ORDINANCE 2025-04 FOR A ZONING CHANGE FROM AO AGRICULTURAL-OPEN SPACE DISTRICT TO RMD RESIDENTIAL MEDIUM DENSITY DISTRICT ON 84.981 ACRES IN THE JOHN A. NEILL SURVEY, ABSTRACT NO. 20, LOCATED EAST OF THE INTERSECTION OF FM 1322 AND CENTERPOINT ROAD AND ADDRESSED AS 2500 FM 1322.

Mayor Pro-Tem Sanchez announced that the public hearing will be postponed until May 6, 2025.

ITEM 5-A. DISCUSSION AND/OR ACTION TO CONSIDER CITY COUNCIL MINUTES OF THE APRIL 16, 2024 AND MAY 7, 2024 MEETINGS.

Councilmember Westmoreland made a motion to approve the minutes. Councilmember Mendoza seconded. The motion passed by a vote of 6-0.

ITEM 5-B. DISCUSSION AND CONSIDERATION REGARDING RECEIPT OF THE LOCKHART FREEDOM ACT FIRST QUARTERLY REPORT.

Councilmember Lairsen made a motion to accept the report. Councilmember Castillo seconded. The motion passed by a vote of 6-0.

ITEM 5-C. DISCUSSION AND/OR ACTION TO PROVIDE GUIDANCE ON THE SCOPE OF WORK FOR THE REMODEL OF FIRE STATION NO. 1 LOCATED AT 201 W. MARKET ST. BASED ON THE 50% CONSTRUCTION DRAWINGS.

Councilmember Michelson made a motion to approve Option 3, Reduced Base + Roof + Exterior Improvements - $1,817,939 (+ $548,016). Councilmember Castillo seconded. The motion passed by a vote of 6-0.

ITEM 5-D. DISCUSSION AND/OR ACTION REGARDING RESOLUTION 2025-10 TO UPDATE PARK PAVILION AND SWIMMING POOL RENTAL FEES.

Councilmember Castillo made a motion to approve Resolution 2025-10, as presented. Councilmember Lairsen seconded. The motion passed by a vote of 6-0.

ITEM 5-E. DISCUSSION AND/OR ACTION TO CONSIDER ORDINANCE 2025-06 TO ADOPT A UTILITY SERVICE FEE SCHEDULE.

Councilmember Westmoreland made a motion to approve Ordinance 2025-26, as presented. Councilmember Michelson seconded. The motion passed by a vote of 6-0.

ITEM 5-F. DISCUSSION AND/OR ACTION TO CONSIDER APPROVING THE REAL ESTATE SALES CONTRACT AND AUTHORIZING THE PURCHASE OF A PROPERTY LOCATED AT 120 W. MLK JR. INDUSTRIAL BOULEVARD IN THE AMOUNT OF $1,750,000 FOR CONVERSION INTO AN INDOOR RECREATION CENTER AS A NEED IDENTIFIED IN THE PARKS, RECREATION, & OPEN SPACE MASTER PLAN AND AUTHORIZING CLOSING COSTS ASSOCIATED WITH THE PURCHASE IN AN ESTIMATED AMOUNT OF $10,000.

Councilmember Westmoreland made a motion to approve the real estate sales contract and authorizing the purchase of a property located at 120 W. MLK Jr. Industrial Blvd, as presented. Councilmember Michelson seconded.

There was discussion regarding the process of obtaining quotes to convert the facility to an indoor recreation center.

VOTE: The motion passed by a vote of 6-0.

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

- Recap of Downtown Revitalization Project Update meeting held on March 13.
- Hotel Occupancy Tax (HOT) Advisory Board accepting applications.
- Lockhart Fire Department's Push-In Ceremony for new ladder truck is scheduled for Friday, March 21.
- New bench donated by library patron to Dr. Eugene Clark Library.
- Splash Pads set to open on Tuesday, April 1.
- Reminder: Citywide Spring Clean Up Program on Saturday, March 22.
- Next Coffee With a Cop event scheduled for Tuesday, April 15.
- First 2025 Courthouse Nights event set for Friday, April 18.

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

Councilmember Mendoza thanked all that attended the KidFish event.

Councilmember Castillo expressed condolences to families that have lost a loved one. He thanked all that attended the KidFish event. He reminded everyone to lock their vehicles to avoid theft.

Councilmember Michelson thanked all that attended the KidFish event. He wished all a good Spring Break and he encouraged everyone to stay safe.

Mayor Pro-Tem Sanchez expressed condolences to families that have lost a loved one. She thanked all that attended the KidFish event. She wished everyone a safe Spring Break and wished the best to Coach Todd Mavis.

EXECUTIVE SESSIONS

Mayor Pro-Tem Sanchez announced that the Council would enter Executive Session to discuss agenda items 8 and 9, as listed below at 8:21 p.m.

ITEM 8-A. EXECUTIVE SESSION IN ACCORDANCE WITH THE PROVISIONS OF THE GOVERNMENT CODE, TITLE 5, SUBCHAPTER D, SECTION 551.071, PRIVATE CONSULTATION WITH ITS ATTORNEY TO SEEK ADVICE ABOUT LEGAL MATTERS SUBJECT TO ATTORNEY/CLIENT PRIVILEGE AND 551.087 OF THE TEXAS GOVERNMENT CODE, DELIBERATION REGARDING ECONOMIC DEVELOPMENT

NEGOTIATIONS. Discussion regarding Tax Abatement Agreement with Martin Spellerberg of Spellerberg Associates, LLC.

ITEM 9-A. EXECUTIVE SESSION IN ACCORDANCE WITH THE PROVISIONS OF THE GOVERNMENT CODE, TITLE 5, SUBCHAPTER D, SECTION 551.071, PRIVATE CONSULTATION WITH ITS ATTORNEY TO SEEK ADVICE ABOUT LEGAL MATTERS SUBJECT TO ATTORNEY/CLIENT PRIVILEGE AND SECTION 551.072 OF THE TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY IF DELIBERATION IN AN OPEN MEETING WOULD HAVE A DETRIMENTAL EFFECT ON THE POSITION OF THE GOVERNMENTAL BODY IN NEGOTIATIONS WITH A THIRD PERSON. Discussion regarding acquisition of multiple utility easements between S. Main Street and S. Commerce Street.

OPEN SESSION.
Mayor Pro-Tem Sanchez announced that the Council would enter Open Session at 8:57 p.m.

ITEM 10-A. DISCUSSION AND/OR ACTION REGARDING TAX ABATEMENT AGREEMENT WITH MARTIN SPELLERBERG OF SPELLERBERG ASSOCIATES, LLC.
There was no action.

ITEM 10-B. DISCUSSION AND/OR ACTION REGARDING ACQUISITION OF MULTIPLE UTILITY EASEMENTS BETWEEN S. MAIN STREET AND S. COMMERCE STREET.
Mayor Pro-Tem Sanchez made a motion to authorize staff to make initial offers to the landowners of the downtown utility easements between South Main Street and South Commerce Street up to the appraised value. Councilmember Lairsen seconded. The motion passed by a vote of 6-0.

ITEM 11. ADJOURNMENT
Councilmember Mendoza made a motion to adjourn the meeting. Councilmember Westmoreland seconded. The motion passed by a vote of 6-0. The meeting was adjourned at 8:59 p.m.

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

CITY OF LOCKHART

_____
Lew White, Mayor

ATTEST:

_____
Julie Bowermon
City Secretary

DRAFT

REGULAR MEETING
LOCKHART CITY COUNCIL APRIL 1, 2025 6:30 P.M.

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

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

Staff present:
Steve Lewis, City Manager
Joseph Resendez, Assistant City Manager
Sean Kelley, Public Works Director
Gary Williamson, Police Chief
Travis Hughes, Parks Director
Holly Malish, Economic Development Director
Brad Bullock, City Attorney
Julie Bowermon, City Secretary
Andrew Devaney, Building Official
Keeli Michna, Finance Director
Tatiana Salazar, Public Information Officer

Citizens/Visitors Addressing the Council: Elda Arriano and Neal Kelby of Texas Monthly; Mike Brooks of BrooksWatson & Company; and Citizens: Will Rhodes, Rachel Lingvai and Fred Wiegand.

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 A PROCLAMATION DECLARING APRIL 13 - 19, 2025 AS NATIONAL PUBLIC SAFETY TELECOMMUNICATORS WEEK.
Mayor White presented the proclamation to the Lockhart Police Department.

B. DISCUSS THE CITY COUNCIL MINUTES OF THE MAY 21, 2024 AND JUNE 4, 2024 MEETINGS.
Mayor White requested corrections to the minutes. There are none.

C. DISCUSS THE PROPOSED TEXAS MONTHLY 2025 BBQ WORLD'S FAIR EVENT SPONSORSHIP AGREEMENT FOR THE NOVEMBER 1-2, 2025, 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 and is seeking to return to Lockhart for a fourth consecutive year. The event is slated for November 1-2, 2025, to be held in the Historic Courthouse Square and City Park. Texas Monthly will provide the planning, production, staffing, event lineup, marketing, ticketing services and sponsorships.

Other notable details in the agreement include:
- City contribution $25,000 of in-kind support (permit assistance, street closures, police and first responder staff, secure shuttle parking area and event locations)
- $20,000 in 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 the promotional signage
- Minimum general liability insurance requirements

Staff will be working closely with the Downtown Revitalization Contractors to coordinate planning of the event between the event holder and the contractor. Texas Monthly has representatives to answer any questions regarding the 2025 Event Sponsorship Agreement.

Elda Arriano and Neal Kelby of Texas Monthly provided information and there was discussion about their marketing strategy and the proposed schedule of events.

D. DISCUSSION REGARDING AMENDING THE CONTRACT WITH GBRA TO INCLUDE A FUTURE SECOND DELIVERY POINT FROM THE GONZALES CARRIZO GROUNDWATER SUPPLY PROJECT.

Mr. Kelley stated that the City of Lockhart entered the Gonzales Carrizo Groundwater Supply Project (CGSP) Agreement on February 6, 2018. The project consists of providing Lockhart customers with long-term treated water, up to 3,000 acre-feet per year. The City began receiving water from the project at the current delivery point at the Lockhart Water Treatment Plant in September 2024. The Guadalupe-Blanco River Authority (GBRA) recently completed the design of the second phase of the regional project in Mid-2024, which includes expanding water supply to neighboring water providers north of Lockhart. GBRA's route for the project takes water around the east side of Lockhart and travels through an easement on the south side of the Cesar Chavez Elevated Storage Tank that the City of Lockhart dedicated to GBRA on June 4, 2024. The purpose of dedicating the easement was to establish a second delivery point that has the capability to receive "some or all" of the 3,000 acre-feet of water from the CGSP. The proposed amendment conveys the ability to receive water at the second delivery point once developed. The transmission line for Phase II of the CGSP, including the 12" tap at the Cesar Chavez EST are anticipated to be complete by October 2026. The City is responsible for developing the connection between the new second delivery point and the City's water distribution system. Currently, the City Engineer is preparing a Preliminary Engineering Report for the secondary delivery point. Once the engineering report is complete, budgeting for secondary delivery point connection may begin.

Establishing the second delivery point for treated water is important for several reasons, including:

- Create redundancy in the water system to make the utility more resilient.
- Diversify and increase the City's water supply, which is centralized at the Water Treatment Plant's high service pump station, and
- Provide additional water supply during outages, rehabilitation, or scheduled maintenance of the City's water treatment plant.

E. PRESENTATION AND DISCUSSION OF THE CITY OF LOCKHART AND THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION'S FISCAL YEAR 2023-24 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ANNUAL FINANCIAL AUDIT) BY BROOKSWATSON & COMPANY, PLLC., AN INDEPENDENT PUBLIC ACCOUNTING FIRM.

Ms. Michna 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 fourth year for BrooksWatson & Company, PLLC to perform the City's annual audit. City Council approved a two-year contract extension on October 15, 2024 which will retain BrooksWatson & Company, PLLC's audit services through fiscal year ending

2025. BrooksWatson & Company, PLLC has issued an unmodified (clean) opinion. An unmodified 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 2024 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 five consecutive years. The current Annual Comprehensive Financial Report for FYE 2024 will be submitted to the GFOA to determine eligibility for another certificate.

Mike Brooks of BrooksWatson & Company gave the report of the City of Lockhart's Annual Comprehensive Financial Report. He stated that the firm issued an unmodified (clean) opinion. An unmodified opinion is presumed to be free from material misstatements and fairly represents its financial results, financial position, and cash flows. He commended the City of Lockhart for remaining financially responsible. There was discussion.

F. DISCUSSION REGARDING CONSIDERATION FOR THE PURCHASE OF A PORTABLE STAGE TO BE AVAILABLE FOR PARK, CITY-SPONSORED, AND COMMUNITY EVENTS.

Mr. Kelley stated that the City holds numerous events downtown, at the City Park and other community gathering areas. Frequently, in-kind contributions are made to sponsor the event, improve the functionality of the event and even alleviate the financial burden of organizers producing community-wide events. Courthouse Nights has verbally requested to replace the old wooden stage with a new wooden stage and would like the City to participate in repairing the existing stage or consider the purchase of a new stage. The current stage is set up for each Courthouse Nights event by Pegasus School. The stage has been used for decades for several events, requires frequent maintenance, and has reached its life expectancy. Courthouse Nights requires a stage that can handle an approximal weight load of 3,000 lbs with a minimum dimension of 8' x24' and an elevated surface.

Considerations for Stage Rentals vs. Purchase:

- Rental vs. Purchase: Renting a stage for events costs approximately $5,000 per event, while purchase of a mobile portable stage is estimated at $10,000.
- Setup & Liability: Determine responsibility for setting up and dismantling the stage, as well as any associated liability concern.
- Stage Features: Portable stage options include guardrails, skirt/cover, stair kits and storage trolleys. They typically support up to 200 lbs/sq ft and come with a 10-year manufacturer's warranty.
- Eligible Uses: Potential uses include City-sponsored events (e.g., A Christmas to Remember, MLK Jr. March, Courthouse Nights, Kid Fish), non-profit events on public property, and park events.

Mr. Hughes provided information and there was discussion about the purchase, setup process, and storage of the stage.

Will Rhodes and Rachel Lingvai stated that the current stage that is used for Courthouse Nights is not safe and at a point of no repair. They requested that the Council consider purchasing a stage that is safe and that will accommodate the weight and size of the band members and equipment.

RECESS: Mayor White announced that the Council would recess for a break at 7:40 p.m.

ITEM 1. CALL TO ORDER,
Mayor Lew White called the meeting to order at 7:54 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.

Fred Wiegand, Citizen, requested to be a member of the Airport Advisory Board and questioned the qualifications of the Airport Board members as listed in the Code of Ordinances. He expressed concern about the condition of the Lockhart Municipal Airport.

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

ITEM 4-A. HOLD A PUBLIC HEARING AND CONSIDER APPROVAL OF ORDINANCE 2025 07, FOR TEXT AMENDMENTS TO CHAPTER 64, "ZONING" ARTICLE VII, SECTION 64-205, "PORTABLE FOOD ESTABLISHMENTS," OF THE LOCKHART CODE OF ORDINANCES.
Mayor White opened the public hearing at 8:03 p.m.

Mr. Devaney stated that staff recommended updating the definition of a portable food establishment. Currently, per ordinance, a portable food establishment is defined as an enclosed trailer or motor vehicle designed and operated for the sale of food and/or beverages and which stays at one location for more than four consecutive days. Lockhart staff are requesting to remove the verbiage regarding location and duration to be considered a portable food establishment. This would ensure all current and potential portable food establishments within the City of Lockhart are properly permitted and inspected. Currently, portable food establishments that conduct business for less than four days are not subject to permit and inspection requirements. The current permit fees for portable food establishments are twenty-five dollars for establishments with one to four employees and fifty dollars for establishments with five or more employees. The permit is valid from the date of application until December 31 of that same year. Lockhart staff would also recommend amending Subsection (b) (1) to update the requirement for a portable food establishment permit from the City of Lockhart. This would make it a requirement for portable food establishments to be inspected by the city health inspector and have a current mobile food unit permit issued by the Texas Department of State Health Services, Retail Foods Division. Sec. 64-205 Subsection (b) (1) proposed ordinance amendment would update the legal definitions according to state law. The update to the Texas Department of State Health Services, Retail Foods Division went into effect September 1, 2004, per House Bill 2292. This amendment would ensure compliance with city inspections as well as meet the minimum requirements of the Texas Department of State Health Services. The standards set in Sec. 64-205 Subsection (b) (2-19) require no amendments. At the Planning and Zoning Commission meeting on March 12th, the Planning and Zoning Commission approved these text amendments as proposed. This included the proposed deletion of Sec. 64-205 (e). Since this approval, Building Services staff have reexamined the proposed deletion of Sec. 64-205 (e) based on additional City Attorney feedback regarding the impact on annual, outdoor community events. Staff have recognized the need to keep this section in its entirety. This would continue to allow outdoor events lasting no longer

than four consecutive days to be exempt from the zoning requirements of this section. Examples of events locally to continue to be exempt would include Cinco de Mayo, Chisholm Trail Roundup, Diez y Seis, First Friday, Courthouse Nights, Sip-n-Stroll, Texas Monthly Barbecue Festival, school fundraisers, church fundraisers, and city-sponsored events. These events will still be required to be compliant with all applicable health and sanitation regulations. He stated that staff recommends approval. There was discussion.

Mayor White requested citizens to address the Council. There were none. He closed the public hearing at 8:10 p.m.

Councilmember Michelson made a motion to approve Ordinance 2025-07, as presented. Councilmember Lairsen seconded. The motion passed by a vote of 7-0.

ITEM 5-A. DISCUSSION AND/OR ACTION TO CONSIDER THE CITY COUNCIL MINUTES OF THE MAY 21, 2024 AND JUNE 4, 2024 MEETINGS.

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

ITEM 5-B. DISCUSSION AND/OR ACTION REGARDING THE PROPOSED TEXAS MONTHLY 2025 BBQ WORLD'S FAIR EVENT SPONSORSHIP AGREEMENT FOR THE NOVEMBER 1-2, 2025, TEXAS MONTHLY BBQ WORLD'S FAIR EVENT.

Councilmember Michelson made a motion to approve the Texas Monthly 2025 BBQ World's Fair Event Sponsorship agreement, as presented. Councilmember Lairsen seconded. The motion passed by a vote of 7-0.

ITEM 5-C. DISCUSSION AND/OR ACTION REGARDING AMENDING THE CONTRACT WITH GBRA TO INCLUDE A FUTURE SECOND DELIVERY POINT FROM THE GONZALES CARRIZO GROUNDWATER SUPPLY PROJECT.

Councilmember Lairsen made a motion to approve amending the contract with GBRA, as presented. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 5-D. PRESENTATION, DISCUSSION AND/OR ACTION REGARDING THE CITY OF LOCKHART AND THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION'S FISCAL YEAR 2023-24 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ANNUAL FINANCIAL AUDIT) BY BROOKSWATSON & COMPANY, PLLC., AN INDEPENDENT PUBLIC ACCOUNTING FIRM.

Mayor Pro-Tem Sanchez made a motion to approve the City of Lockhart and the Lockhart Economic Development Corporation's Fiscal Year 2023-2024 Annual Comprehensive Financial Report, as presented. Councilmember Lairsen seconded. The motion passed by a vote of 7-0.

ITEM 5-E. DISCUSSION AND/OR ACTION REGARDING THE PURCHASE OF A PORTABLE STAGE TO BE AVAILABLE FOR PARK, CITY-SPONSORED, AND COMMUNITY EVENTS.

Councilmember Castillo spoke against renting city owned equipment.

Mr. Lewis clarified that the agenda item is to consider purchasing the portable stage. If the purchase of the portable stage is approved, staff will return with an agenda item on a future Council meeting to consider whether to allow rental of the stage.

Councilmember Michelson made a motion to approve the purchase of a portable stage, as presented, not to exceed the purchase price of $10,000. Councilmember Lairson seconded. The motion passed by a vote of 6-1, with Councilmember Castillo opposing.

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

- Update regarding City-Wide Spring Clean up event held on March 24.
- Splash pads opened for the season on April 1.
- Update on the selection process to hire design consulting engineers for the new aquatic center.
- Update on preparations for the release of Request for Qualifications (RFQ) for architectural services for indoor recreation center project.
- Update on new traffic light installation at FM 1322 and FM 20.

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

Mayor Pro-Tem Sanchez expressed condolences to the family of Beirne Eeds for their loss.

Councilmember Westmoreland expressed appreciation to Beirne Eeds for his contribution to the community.

Councilmember Lairsen expressed condolences to the Eeds family for their loss.

Councilmember Castillo expressed condolences to the Eeds family for their loss. He thanked city staff for their work. He congratulated the soccer team for making it to the playoffs.

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

Mayor White invited everyone to First Friday events.

EXECUTIVE SESSION

Mayor White announced that the Council would enter Executive Session at 8:28 p.m. to discuss agenda items 8A and 9A as listed below.

ITEM 8-A. 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 CA-241.

ITEM 9-A. EXECUTIVE SESSION IN ACCORDANCE WITH THE PROVISIONS OF THE GOVERNMENT CODE, TITLE 5, SUBCHAPTER D, SECTION 551.072 - TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY IF DELIBERATION IN AN OPEN MEETING WOULD HAVE A DETRIMENTAL EFFECT ON

THE POSITION OF THE GOVERNMENTAL BODY IN NEGOTIATIONS WITH A THIRD PERSON. Discussion regarding possible land acquisition related to public parks.

OPEN SESSION

Mayor White announced that the Council would enter Open Session at 9:05 p.m.

ITEM 10-A. DISCUSSION AND/OR ACTION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS WITH PROJECT CA-241.
No action was taken.

ITEM 10-B. DISCUSSION AND/OR ACTION REGARDING POSSIBLE LAND ACQUISITION RELATED TO PUBLIC PARKS.
Mayor White made a motion to authorize staff to make an offer on the property discussed in closed session up to the amount as discussed in closed session. Mayor Pro-Tem Sanchez 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 9:10 p.m.

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

CITY OF LOCKHART

_____
Lew White, Mayor

ATTEST:

_____
Julie Bowermon
City Secretary

DRAFT

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

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

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

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

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

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

DISCUSSION ONLY

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

B. DISCUSS HOTEL OCCUPANCY TAX (HOT) ALLOCATIONS AS RECOMMENDED BY THE HOT ADVISORY BOARD FOR THE 2025 FUNDING YEAR.
Ms. Michna stated that on April 3, 2025, the Hotel Occupancy Tax (HOT) Advisory Board met to review and discuss Hotel Tax funding applications for FYE 2025. The City of Lockhart collects a 7% Hotel Occupancy Tax from hotels, bed & breakfasts, and other lodging facilities. The revenue from the HOT fund may be used only to directly promote tourism and the hotel and convention industry. The Funding Application Form provides applicants the specific eligible uses of HOT funds under state law requirements, outlines city policy, and provides guidance on the priority uses for Hotel Tax funds. A copy of this form is attached for reference. This funding cycle, the City received ten applications from eight organizations. The eight organizations include: Caldwell County Jail Museum, Courthouse Nights, Gaslight-Baker Theatre, Greater Caldwell County Hispanic Chamber of Commerce, Lockhart Chamber of Commerce, Lockhart Initiative for Tourism, Spellerberg Projects, and Troubador Image + Sound. All applicants were in attendance at the HOT Advisory Board meeting and made formal presentations. The total amount requested was $323,000. This is an increase of $100,500 over the amount requested in FYE

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

Mayor White requested the following to address the Council:

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

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

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

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

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

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

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

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

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

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

C. DISCUSS MID-YEAR FINANCIAL REPORT FOR FYE 2025.

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

D. DISCUSS THE 2ND QUARTER FISCAL YEAR 2025 INVESTMENT REPORT

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

E. DISCUSS THE PRELIMINARY BUDGET AND TAX CALENDAR FOR FISCAL YEAR 2025-2026.

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

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

ITEM 1. CALL TO ORDER,

Mayor Lew White called the meeting to order at 8:25 p.m.

ITEM 2. INVOCATION, PLEDGE OF ALLEGIANCE.

Mayor White gave the Invocation and led the Pledge of Allegiance to the United States and Texas flags.

ITEM 3. PUBLIC COMMENT.

Mayor White requested citizens to address the Council.

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

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

ITEM 5-A. DISCUSSION AND/OR ACTION REGARDING HOTEL OCCUPANCY TAX (HOT) ALLOCATIONS AS RECOMMENDED BY THE HOT ADVISORY BOARD FOR THE 2025 FUNDING YEAR.

Mayor White recommended that the Visitors Bureau and Spellerberg Project funding be tabled to a meeting in May to allow additional discussion. There was discussion.

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

ITEM 4. CONSENT AGENDA.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

There was no action taken.

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

- Update on Project 5C, which updates copper lines and improves electrical reliability.
- Staff is reviewing bids for Gateway Monument Sign project.
- Lockhart Municipal Airport Runway paving scheduled to begin on May 5.
- City offices will be closed on Friday, April 18.
- Courthouse Nights music series begins April 18.
- Kiwanis 5K Stampede scheduled for April 26.
- Cinco de Mayo 5K/10K run scheduled for May 3.

- Recent awards and acknowledgements for Lockhart.
- Report on LCRA Steps Forward Volunteer Program at Lions Park.

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

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

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

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

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

EXECUTIVE SESSION

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

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

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

OPEN SESSION

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

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

There was no action taken.

ITEM 10. ADJOURNMENT

Mayor Pro-Tem Sanchez made a motion to adjourn the meeting. Councilmember Mendoza seconded. The motion passed by a vote of 7-0. The meeting was adjourned at 9:44 p.m.

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

CITY OF LOCKHART

_____
Lew White, Mayor

ATTEST:

_____
Julie Bowermon
City Secretary

DRAFT

REGULAR MEETING
LOCKHART CITY COUNCIL **MAY 6, 2025** **6:30 P.M.**

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

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

Staff present:
Steve Lewis, City Manager
Joseph Resendez, Assistant City Manager
David Fowler, Planning Director
Travis Hughes, Parks Director
Tatiana Salazar, Public Information Officer
Brad Bullock, City Attorney
Julie Bowermon, City Secretary
Sean Kelley, Public Works Director
Gary Williamson, Police Chief

Citizens/Visitors Addressing the Council: Sam Marquez of Bluebonnet Trails; Brian Garcia and Jim Markle of JES Holdings; Devin Kleinfelder of DR Horton.

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 PROCLAMATION DECLARING MAY 2025 AS MENTAL HEALTH AWARENESS MONTH.
Mayor White presented the proclamation to Sam Marquez of Bluebonnet Trails of Lockhart.

B. DISCUSSION REGARDING THE REQUEST FROM CALDWELL COUNTY CHRISTIAN MINISTRIES (CCCM) TO RENEW THEIR LEASE FOR FIVE (5) YEARS AS PROVIDED IN THEIR CURRENT LEASE FOR PORTIONS OF THE BUILDING AT 901 BOIS D' ARC STREET KNOWN AS THE FOOD PANTRY, INCLUDING LAND LEASED FOR THE COMMUNITY GARDEN.
Mr. Kelley stated that Caldwell County Christian Ministries (CCCM) has requested to renew their building lease of the space located at 901 Bois D' Arc Street, commonly known as the Food Pantry. CCCM has been operating at the location since 2010 and has a commendable reputation for helping our community with this valuable service. In 2020, CCCM began leasing land at 901 Bois D' Arc Street with an interest in continuing the Community Garden and expanding the efforts of CCCM to provide fresh produce to its customers, which has been highly successful. The lease provides that CCCM shall: 1) pay an annual rent of $1.00; 2) pay all costs of fuel, electricity, solid waste, telephone, and other utilities used on the premises; 3) at all times maintain a comprehensive liability insurance policy; and, 4) seek approval from the City for any renovations, signs, etc. If approved, the terms of the proposed lease agreement would be set to expire April 30, 2030. CCCM would have the right to renew this lease for an additional five (5) year term provided they give the City 90-day notice of their intent to renew the lease. There was discussion.

C. DISCUSS A PROFESSIONAL SERVICES AGREEMENT FOR ENGINEERING, LEGAL, AND FINANCIAL REVIEW FOR A DEVELOPMENT AGREEMENT FOR A PROPOSED RESIDENTIAL DEVELOPMENT ON APPROXIMATELY 966 ACRES LOCATED EAST OF NORTH COLORADO STREET/US 183 NEAR THE INTERSECTION WITH SH 130.

Mr. Fowler stated that the applicant has expressed interest in developing a property northeast of the City's northern boundary. The applicant has expressed interest in creating a Municipal Utility District (MUD) that would potentially utilize City water and wastewater services. To date, City staff have seen only schematic details of the potential design of the development. However, from discussion with the applicant, it appears that the proposed development will be mixed-use in nature, with the possibility of several types of residential development, commercial development, a school site, parks, and other community facilities within the development. Most of the development area is within the City's Extraterritorial Jurisdiction (ETJ) and also within the City's water and wastewater CCN area. It is expected that the agreement would bring the entirety of the development both into the ETJ and into the CCN. It is expected that the property would be developed as an ETJ MUD with the possibility of annexation in the future. The proposed professional service agreement is designed to establish an escrow account to facilitate the legal, engineering, and financial review of the project up to the point at which an agreement is reached. There was discussion.

D. DISCUSSION OF RESOLUTION 2025-13 IN SUPPORT OF A REQUEST BY JES DEV CO AND MAPLE PARK MANOR, LP FOR A PARTIAL CITY AD VALOREM TAX ABATEMENT REQUEST AND PROPOSED PAYMENT IN LIEU OF TAXES (PILOT) FOR THE DEVELOPMENT OF A SENIOR HOUSING PROJECT LOCATED ON 2.239 ACRES, APPROXIMATELY 900 FEET NORTHWEST OF THE INTERSECTION OF CITY LINE ROAD AND CLEARFORK STREET.

Mr. Fowler stated that the applicants, JES Dev Co and Maple Park Manor, LP, have been planning to build the second phase of the Maple Park senior housing development, which is proposed as a two-story, income-restricted, independent senior living project with 30 residential units. Due to the applicants' recent unsuccessful application for funds from the Federal Home Loan Bank of Dallas, the applicant has proposed partnering with Lone Star Housing, a Community Housing Development Organization, which would potentially allow the Caldwell County Appraisal District to grant the project a 50 percent ad valorem tax exemption under Section 11.1825 of the Texas Tax Code. To offset the loss of City taxes, the applicant has agreed to a Payment in Lieu of Taxes (PILOT) directly to the City starting on the 11th year after the date of the agreement. The PILOT agreement specifies a payment of $2,681 on the 11th year of the agreement, with amounts escalating to $5,034 on the 20th anniversary of the agreement. After the 20th anniversary, the payment would be equal to the full amount lost by the City due to the tax exemption. In addition to stating the terms of the tax exemption, the resolution and the accompanying Letter of Intent state that the applicants will build Lincoln Lane from Clearfork Street to Maple Street. In addition to constructing a long-anticipated street, this would also provide the Maple Park Manor site with street frontage, the lack of which has impeded the project from being eligible to apply for a building permit. Without the tax exemption agreement, the applicants believe the project would not be financially feasible, thus preventing the construction of 30 units of affordable senior citizen housing.

Brian Garcia and Jim Markle of JES Holdings provided information and there was discussion about the proposed development.

E. DISCUSS APPROVING A PURCHASE AGREEMENT WITH MELLO SIGNS FOR GATEWAY MONUMENT SIGNAGE FABRICATION AND INSTALLATION.

Mr. Hughes stated that the city previously formed a Wayfinding Committee to develop a cohesive signage plan to assist and welcome residents and visitors. The resulting Wayfinding Master Plan was approved by Council on January 25, 2021.

On May 2, 2023, Council approved Phase 1 of the project, which includes three gateway monument signs to be placed at key entrances to Lockhart:

- Highway 183/SH-130 from the north
- Highway 142 from the west
- SH-130 from the south

Resolution 2024-25, passed on September 17, 2024, authorized the fabrication and installation of these signs in the TxDOT right-of-way, in compliance with TxDOT requirements. A formal competitive sealed bid solicitation was published on March 10, 2025, for the fabrication and installation of the monument signs. The City received four bids ranging from $90,993 - $254,997. The lowest bid was removed from consideration for excluding a significant portion of the base scope. The second-lowest bidder, Mello Signs, was selected as the recommended project contractor after staff reviewed references and previous projects. If approved, Mello Signs will begin fabrication immediately, with installation expected within four months. There was discussion.

F. DISCUSSION REGARDING A DRAFT REQUEST FOR QUALIFICATIONS (RFQ) FOR ARCHITECTURAL SERVICES REGARDING THE REMODEL OF THE NEWLY ACQUIRED RECREATION CENTER BUILDING.

Mr. Hughes stated that the City has recently acquired the former movie theater building located at 120 W. MLK Jr. Industrial Blvd. and is planning to re-purpose the building as a recreation center to provide for a variety of activities such as basketball, volleyball, pickleball, and group exercise classes. These spaces will be designed for flexibility so they can be utilized for a variety of activities and special events. This RFQ has been developed to assist us in obtaining the professional services of an architectural firm with experience in developing these types of recreational facilities. The selected firm will engage with the citizens of Lockhart to determine and prioritize the types of programs and services this recreation facility will support. Each space will be designed to support multiple activities, thereby maximizing access to Lockhart residents. Sections III and IV of the RFQ provide for project goals and scope. Appendix A provides the schedule for hiring an Architect. There was discussion.

G. DISCUSSION REGARDING THE PURCHASE OF TWO 2025 FORD POLICE INTERCEPTOR UTILITY VEHICLES AND TWO 2025 FORD F-150 POLICE RESPONDER PICKUP TRUCKS FROM SILSBEE FORD UTILIZING THE INTERLOCAL PURCHASING SYSTEM, BETTER KNOWN AS, TIPS PURCHASING COOPERATIVE.

Chief Williamson stated that the Lockhart Police Department requests approval to utilize $218,741.50 in American Rescue Plan Act (ARPA) funds for the purchase of two 2025 Ford Police Interceptor Utility vehicles and two 2025 Ford F-150 Police Responder pickup trucks. The vehicles would be purchased from Silsbee Ford through the Interlocal Purchasing System (TIPS Purchasing Cooperative), ensuring a competitive and cost-effective procurement process. These vehicles are necessary to replace aging, high-maintenance patrol units currently in service. The addition of pickup trucks to the fleet is particularly important, as it enhances operational capabilities by enabling officers to transport large property items and evidence — a task that currently requires assistance from other City departments, causing delays and inefficiencies. Pickup trucks provide versatility, increased payload capacity, and improved performance

in off-road and adverse weather conditions, making them highly suitable for a range of policing activities, including critical incident response, search and recovery operations, and natural disaster assistance. Their inclusion in the fleet will significantly strengthen the department's ability to serve the community quickly and effectively. The funds cover the purchase of the vehicles only and do not include upfitting costs for necessary police equipment. On December 3, 2024, the Lockhart City Council approved the use of ARPA funds — up to $230,000 — to support the partial replacement of the Police Department's vehicle fleet.The requested allocation of $218,741.50 directly supports the City's commitment to public safety, fleet modernization, and responsible use of federal recovery funds.

H. DISCUSSION REGARDING RESOLUTION 2025-11, RESOLUTION 2025-12, AND AUTHORIZING THE FOLLOWING DOCUMENTS, POLICIES, PROCEDURES, AMENDMENTS AND PROCLAMATION ASSOCIATED WITH THE TEXAS GENERAL LAND OFFICE (GLO) PROJECT CONTRACT # 24-065-120-E962 RELATED TO WATER LINE IMPROVEMENTS ON BOIS D' ARC STREET AND NORTH BLANCO STREET. 1. RESOLUTION 2025-11, DESIGNATING AUTHORIZED SIGNATORIES. 2. RESOLUTION 2025-12, REGARDING CIVIL RIGHTS POLICIES. 3. FAIR HOUSING PROCLAMATION. 4. AMENDMENT #1 FOR THE GRANT ADMINISTRATIVE SERVICES & ENVIRONMENTAL SERVICES. 5. AMENDMENT #1 FOR THE ENGINEERING SERVICES CONTRACT. 6. AMENDMENT #1 FOR THE CITY OF LOCKHART PURCHASING POLICY PERTAINING TO THE GLO GRANT. 7. AMENDMENT #1 FOR THE CITY OF LOCKHART FINANCIAL POLICY PERTAINING TO THE GRANT.

Mr. Kelley stated that 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. These documents are another portion of the General Land Office (GLO) grant requirements in which the City must take action on policies, procedures and the proclamation of Fair Housing Month. They ensure that no person or group is denied benefits such as employment, training, housing, and contracts generated by the grant activity, on the basis of race, color, religion, sex, national origin, age, or disability. The Resolutions contain statements that identify signatures for the project and civil rights.

Tonight's Documents for consideration include:

- Resolution 2025-11, designating authorized signatories.
- Resolution 2025-12, regarding Civil Rights Policies.
- Fair Housing Proclamation.
- Amendment #1 for the Grant Administrative Services & Environmental Services.
- Amendment #1 for the Engineering Services Contract.
- Amendment #1 for the City of Lockhart Purchasing Policy pertaining to the GLO grant.
- Amendment #1 for the City of Lockhart Financial Policy pertaining to the grant.

Grant administration representative provided information about the grant application process and grant requirements.

I. DISCUSSION REGARDING SCHEDULING A SPECIAL COUNCIL WORKSHOP TO DISCUSS THE VISITOR CENTER AND TOURISM EFFORTS WITHIN THE COMMUNITY.

Mayor White stated that during the recent Hotel Occupancy Tax (HOT) allocation presentations to City Council on April 15, 2025, the Lockhart Chamber of Commerce made a request for additional funding to

support the Visitor's Bureau and Information Center in FY 2025. During the meeting Council expressed a desire to hold a special Council workshop in the near future with representatives from the Lockhart Chamber and Lockhart Economic Development Corporation to discuss the visitor's center and tourism efforts.

After discussion, the consensus of the Council was to conduct the special meeting on May 22, 2025 at 6:00 p.m.

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

ITEM 1. CALL TO ORDER,
Mayor Lew White called the meeting to order at 8:00 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. There were none.

ITEM 4-A. HOLD A PUBLIC HEARING AND CONSIDER APPROVAL OF ORDINANCE 2025 03, ANNEXING 84.981 ACRES OUT OF THE JOHN A. NEILL SURVEY, ABSTRACT 20, CALDWELL COUNTY, TEXAS, LOCATED EAST OF THE INTERSECTION OF FM 1322 AND CENTERPOINT ROAD AND ADDRESSED AS 2500 FM 1322.
Mayor White opened the public hearing at 8:01 p.m.

Mr. Fowler stated that this item is the rescheduled public hearing for the annexation of nearly 85 acres south of Seawillow Subdivision, section one, located east of the intersection of FM1322 and Centerpoint Road. The hearing had originally been scheduled for December 17, 2024, but has been postponed three times at the applicant's request as they have needed extra time to ensure that wastewater service would be available at the site. The intended land use on the site is single-family residential. Although the property will be assigned an initial zoning of AO Agricultural-Open Space District, the next item on the agenda will be the public hearing regarding the proposed zoning of the property to RMD Residential Medium Density District. The property is located in the CCN for Aqua Texas Water, however an agreement to transfer the CCN to the City of Lockhart for the adjacent Seawillow Ranch property was executed on April 8, 2025. The applicant plans to petition to also leave the Aqua CCN to allow connection to City water and wastewater services, both of which will require extension to reach the property. In addition to the petition materials, the ordinance contains the annexation service agreement for the property. Most notably, the service agreement reflects that the property is not currently in the City water CCN and would require a release from the current CCN to facilitate City water service. The annexation service agreement has also been updated to reflect the adoption of the Lockhart Looking Forward Comprehensive Plan in November 2024. Mr. Fowler stated that staff recommended approval. There was discussion.

Mayor White requested the applicant to address the Council.

Devin Kleinfelder of DR Horton provided information and there was discussion about the proposed development.

Mayor White requested citizens to address the Council. There was none. He closed the public hearing at 8:10 p.m.

Councilmember Westmoreland made a motion to approve Ordinance 2025-03, as presented. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 4-B. HOLD A PUBLIC HEARING ON APPLICATION ZC-24-08 BY TALLEY J. WILLIAMS ON BEHALF OF BLACKJACK BLOCK, LLC AND DISCUSSION AND/OR ACTION ON ORDINANCE 2025-04 FOR A ZONING CHANGE FROM AO AGRICULTURAL-OPEN SPACE DISTRICT TO RMD RESIDENTIAL MEDIUM DENSITY DISTRICT ON 84.981 ACRES IN THE JOHN A. NEILL SURVEY, ABSTRACT NO. 20, LOCATED EAST OF THE INTERSECTION OF FM 1322 AND CENTERPOINT ROAD AND ADDRESSED AS 2500 FM 1322.

Mayor White opened the public hearing at 8:12 p.m.

Mr. Fowler stated that this item is the rescheduled public hearing for the rezoning of the subject property from the AO Agricultural-Open Space District to RMD Residential Medium Density District. The hearing had originally been scheduled for December 17, 2024, but has since been postponed twice at the request of the applicant. The property is scheduled to be annexed at a public hearing to be held earlier in the same City Council meeting. The purpose of the proposed zoning change is to allow the construction of a single-family residential development of the SF-2 type, which is not possible in the AO zoning district. The site is adjacent to another development of the same type and other nearby areas with identical zoning. The site is relatively flat, and does not have any areas within the one percent annual floodplain. The site is located past the current extent of the City's water and wastewater system, but will likely tie into utility extensions being built for other nearby subdivisions. The property is currently located within the Aqua Water CCN, which means that the owner must obtain a release of the property from the Aqua CCN before the City can serve the property.

Mayor White requested citizens to address the Council. There were none. He closed the public hearing at 8:16 p.m.

Councilmember Castillo made a motion to approve Ordinance 2025-04, as presented. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 7-0.

ITEM 5. CONSENT AGENDA.

Councilmember Castillo made a motion to approve consent agenda items 5A, 5B, 5C, 5D, 5E, 5F, and 5G. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 7-0.

The following are the consent agenda items that were approved:

5A: Approve Resolution 2025-11 designating authorized signatories associated with the Texas General Land Office (GLO) Project Contract # 24-065-120-E962 related to water line improvements on Bois D' Arc Street and North Blanco Street.

5B: Approve Resolution 2025-12 regarding Civil Rights Policies associated with the Texas General Land Office (GLO) Project Contract # 24-065-120-E962 related to water line improvements on Bois D' Arc Street and North Blanco Street.

5C: Approve proclamation declaring July 2025 as Fair Housing Month

5D: Approve Amendment #1 for the Grant Administrative Services & Environmental Services Contract for the Texas General Land Office (GLO) Project Contract # 24-065-120-E962 related to water line improvements on Bois D' Arc Street and North Blanco Street.

5E: Approve Amendment #1 for the Engineering Services Contract for the Texas General Land Office (GLO) Project Contract # 24-065-120 E962 related to water line improvements on Bois D' Arc Street and North Blanco Street.

5F: Approve Amendment #1 to the City of Lockhart Purchasing Policy.

5G: Approve Amendment #1 to the City of Lockhart Financial Policy.

ITEM 6-A. DISCUSSION AND/OR ACTION REGARDING THE REQUEST FROM CALDWELL COUNTY CHRISTIAN MINISTRIES (CCCM) TO RENEW THEIR LEASE FOR FIVE (5) YEARS AS PROVIDED IN THEIR CURRENT LEASE FOR PORTIONS OF THE BUILDING AT 901 BOIS D' ARC STREET KNOWN AS THE FOOD PANTRY, INCLUDING LAND LEASED FOR THE COMMUNITY GARDEN.

Councilmember Michelson made a motion to renew the Caldwell County Christian Ministries lease, as presented. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 7-0.

ITEM 6-B. DISCUSSION AND/OR ACTION TO CONSIDER A PROFESSIONAL SERVICES AGREEMENT FOR ENGINEERING, LEGAL, AND FINANCIAL REVIEW FOR A DEVELOPMENT AGREEMENT FOR A PROPOSED RESIDENTIAL DEVELOPMENT ON APPROXIMATELY 966 ACRES LOCATED EAST OF NORTH COLORADO STREET/US 183 NEAR THE INTERSECTION WITH SH 130.

Councilmember Lairsen made a motion to approve the Professional Services Agreement, as presented. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 6-C. DISCUSSION AND/OR ACTION TO CONSIDER RESOLUTION 2025-13 IN SUPPORT OF A REQUEST BY JES DEV CO AND MAPLE PARK MANOR, LP FOR A PARTIAL CITY AD VALOREM TAX ABATEMENT REQUEST AND PROPOSED PAYMENT IN LIEU OF TAXES (PILOT) FOR THE DEVELOPMENT OF A SENIOR HOUSING PROJECT LOCATED ON 2.239 ACRES, APPROXIMATELY 900 FEET NORTHWEST OF THE INTERSECTION OF CITY LINE ROAD AND CLEARFORK STREET.

Councilmember Lairsen made a motion to approve Resolution 2025-13, as presented. Councilmember Castillo seconded. The motion passed by a vote of 7-0.

ITEM 6-D. DISCUSSION AND/OR ACTION TO CONSIDER APPROVING A PURCHASE AGREEMENT WITH MELLO SIGNS FOR GATEWAY MONUMENT SIGNAGE FABRICATION AND INSTALLATION.

Councilmember Michelson made a motion to approve a Purchase Agreement with Mello Signs, as presented.

There was discussion about maintenance of the signs in the event that the signs are vandalized.

Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 6-E. DISCUSSION AND/OR ACTION REGARDING A DRAFT REQUEST FOR QUALIFICATIONS (RFQ) FOR ARCHITECTURAL SERVICES REGARDING THE REMODEL OF THE NEWLY ACQUIRED RECREATION CENTER BUILDING.

Councilmember Michelson made a motion to approve the RFQ for architectural services, as presented. Councilmember Lairsen seconded. The motion passed by a vote of 7-0.

ITEM 6-F. DISCUSSION AND/OR ACTION TO CONSIDER THE PURCHASE OF TWO 2025 FORD POLICE INTERCEPTOR UTILITY VEHICLES AND TWO 2025 FORD F-150 POLICE RESPONDER PICKUP TRUCKS FROM SILSBEE FORD UTILIZING THE INTERLOCAL PURCHASING SYSTEM, BETTER KNOWN AS, TIPS PURCHASING COOPERATIVE.

Councilmember Lairsen made a motion to approve the purchase of two 2025 Ford Police Interceptor Utility vehicles and two 2025 Ford F-150 Police Responder trucks, as presented. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 6-G. DISCUSSION AND/OR ACTION REGARDING SCHEDULING A SPECIAL COUNCIL WORKSHOP TO DISCUSS THE VISITOR CENTER AND TOURISM EFFORTS WITHIN THE COMMUNITY.

Mayor Pro-Tem Sanchez made a motion to schedule the special Council workshop on May 22, 2025 at 6:00 p.m. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

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

- TXDOT 2025 Roadway Safety Sheet for Caldwell County and Lockhart.
- Update on Caldwell County Road Bond project.
- Update on Rosenwald-Carver School restoration project.
- Lone Star Logistics ribbon cutting took place on May 1.
- Household Hazardous Waste event is scheduled for June 7 in City Park.

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

Councilmember Westmoreland congratulated the Kiwanis Club and Hispanic Chamber on successful running events.

Councilmember Mendoza congratulated the Kiwanis Club and Hispanic Chamber on successful running events. He thanked Carver School for their event.

Mayor Pro-Tem Sanchez expressed condolences to the family of Julia Mendez for their loss. She congratulated all who participated in the *50 Lions Who Can Cook* event. She congratulated the Hispanic Chamber for the successful Cinco de Mayo event.

Councilmember Lairsen thanked all that participated in the recent successful events. He thanked the Police Department for keeping the community safe during the events.

Councilmember Castillo commented on recent crime in the community. He congratulated the Hispanic Chamber for a successful Cinco de Mayo event. He thanked Councilmember Lairsen for working with him during the *50 Lions Who Can Cook* event. He thanked the Library staff for a successful Mariachi event.

Councilmember Michelson thanked all that participated in the Cinco de Mayo and First Friday events. He thanked all that attended the *50 Lions Who Can Cook*.

Mayor White thanked all for successful events. He expressed condolences to the family of Nuhad Schuman for their loss. He invited everyone to the Millscale event and he congratulated the school district on the school bond election.

EXECUTIVE SESSIONS

Mayor White announced that the Council would enter Executive Session at 8:57 p.m. to discuss items 9A and 10A, as listed below.

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 LEGAL MATTERS SUBJECT TO ATTORNEY/CLIENT PRIVILEGE AND TO SEEK ADVICE ABOUT PENDING OR CONTEMPLATED LITIGATION.

A. Discussion with City Attorney regarding City of Grand Prairie, et al. and City of Brownsville, et al. v. State of Texas and 2020 Long Tail Trail Investments, LLC, Cause No. D-1-GN-23-007785, pending in the 261st Judicial District Court, Travis County.

ITEM 10. EXECUTIVE SESSION IN ACCORDANCE WITH THE PROVISIONS OF THE GOVERNMENT CODE, TITLE 5, SUBCHAPTER D, SECTION 551.071, PRIVATE CONSULTATION WITH ITS ATTORNEY TO SEEK ADVICE ABOUT LEGAL MATTERS SUBJECT TO ATTORNEY/CLIENT PRIVILEGE AND SECTION 551.072 OF THE TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY IF DELIBERATION IN AN OPEN MEETING WOULD HAVE A DETRIMENTAL EFFECT ON THE POSITION OF THE GOVERNMENTAL BODY IN NEGOTIATIONS WITH A THIRD PERSON.

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

OPEN SESSION

Mayor White announced that the Council would enter Open Session at 9:36 p.m.

ITEM 11-A. DISCUSSION AND/OR ACTION REGARDING CITY OF GRAND PRAIRIE, ET AL. AND CITY OF BROWNSVILLE, ET AL. V. STATE OF TEXAS AND 2020 LONG TAIL TRAIL INVESTMENTS, LLC, CAUSE NO. D-1-GN-23-007785, PENDING IN THE 261ST JUDICIAL DISTRICT COURT, TRAVIS COUNTY.

No action taken.

ITEM 11-B. DISCUSSION AND/OR ACTION REGARDING ACQUISITION OF MULTIPLE UTILITY EASEMENTS BETWEEN S. MAIN STREET AND S. COMMERCE STREET.

Mayor White made a motion to direct the City Attorney to 1) draft a global resolution authorizing the City Manager to execute utility easements within a total amount not to exceed the provision and for individual easement within the City Manager's spending authority on the next council agenda for consideration 2) direct City Attorney to draft a resolution finding a public convenience and necessity and authorizing eminent domain if necessary for certain improvements to the Lockhart square and place on the next council agenda for Council consideration, 3) authorize the City Manager and Right-of-Way agent to send final offers at the appraised values; and 4) authorize the City Attorney, City Manager and Right-of-Way agent to negotiate proposed administrative settlements and return to the Council for final approval. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 12. 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 9:37 p.m.

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

CITY OF LOCKHART

_____
Lew White, Mayor

ATTEST:

_____
Julie Bowermon
City Secretary

DRAFT

REGULAR MEETING
LOCKHART CITY COUNCIL SEPTEMBER 2, 2025 6:30 P.M.

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

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

Staff present:
Joseph Resendez, Assistant City Manager
Julie Bowermon, City Secretary
Travis Hughes, Parks Director
Keeli Michna, Finance Director
Bertha Martinez, Library Director
Steve Lewis, City Manager
Brad Bullock, City Attorney
Sean Kelley, Public Works Director
Gary Williamson, Police Chief
Randy Jenkins, Fire Chief
Will Wachel/TRC, City Engineer

Citizens/Visitors Addressing the Council: Frank Coggins and Ronda Reagan.

6:30 p.m.
The Lockhart City Council attended the retirement reception for retiring City Manager Steve Lewis that was held in the Council Chambers. A quorum of the City Council was present. There was no action of the Lockhart City Council.

ITEM 1. CALL TO ORDER,
Mayor Lew White called the meeting to order at 7:55 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. There were none.

ITEM 4-A. HOLD A PUBLIC HEARING FOR THE CITY OF LOCKHART AND THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION FISCAL YEAR 2025-2026 BUDGET.
Mayor White opened the public hearing at 8:05 p.m.

Mr. Resendez stated that the in accordance with the provisions of Article IX, Section 9.09 of the City of Lockhart Charter - a vote is required for adoption; the budget shall be adopted by the favorable vote of the majority of the members of the whole City Council. This budget also sets forth the fiduciary policies for the City of Lockhart and the Lockhart Economic Development Corporation for the fiscal year October 1, 2025 and ending September 30, 2026. This ordinance will adopt the City's Investment Policy, Financial Policy, and the Fund Balance - Stabilization and Excess of Reserve Policy. The City of Lockhart's Investment Policy must be adopted annually by ordinance according to the City's Charter, Chapter 2256, Section 2256.005. This agenda item allows for the City Council to suggest any final budget changes before a vote is taken. If no additional allocations or deletions are presented, action can be taken to adopt the Fiscal Year 2025-2026 Annual Operating Budget for the City of Lockhart, Caldwell County, Texas and the Lockhart Economic Development Corporation.

Mayor White requested citizens in favor of the proposed budgets to address the Council. There were none.

Mayor White requested the following to address the Council:

Frank Coggins, 602 La Feliciana, requested that the Council increase the cemetery budget to make the cemeteries great again. He suggested that the roads, other areas of the cemetery, and litter and debris be maintained more than once or twice a year. Mr. Resendez stated that staff have considered including maintenance and road repairs at the city cemetery in a citywide maintenance management program.

Ronda Reagan, 412 West San Antonio Street, recommended that the city consider hiring a Main Street Manager instead of hiring an employee for a Visitor's Center. She also stated that Mr. Hilgers informed her that Janet Petrie is the current Chair of the Cemetery committee. She spoke against another organization taking over promoting downtown businesses. There was discussion about tourism.

Mayor White requested additional citizens to address the Council. There were none. He closed the public hearing at 8:30 p.m.

ITEM 4-B. HOLD PUBLIC HEARING ON PROPOSED TAX RATE FOR 2025.

Mayor White opened the public hearing at 8:30 p.m.

Mr. Resendez stated that the proposed tax rate is $0.5541 per $100 of assessed value. The Ordinance describes the two required components of the tax rate; Maintenance and Operations (M&O) and Interest and Sinking (I&S). State law requires a statement regarding the amount by which taxes for maintenance and operations on a $100,000 home will be raised. Based on the proposed tax rate, the maintenance and operations portion of the rate will be $0.4113 per $100 assessed value compared to last year's maintenance and operations rate of $0.4067 per $100 assessed value, resulting in an increase of $0.0046 or 1.13%. The interest and sinking portion of the tax rate increased from $0.1026 to $0.1428 per $100 assessed value, resulting in an increase of $0.0402 or 39.2%. This tax rate will raise more taxes for maintenance and operations than last year's rate. The City of Lockhart's portion of a homeowner's property tax bill is 26% of their total bill based on current tax rates. The remaining 74% of the tax bill is for property taxes charged by the other taxing jurisdictions, including the Lockhart Independent School District (46%), Caldwell County (22%), ESD #5 (4.8%), Plum Creek Conservation District and Groundwater tax (1.4%), and Farm-to-Market (0.005%). Property taxes paid to the City of Lockhart make up approximately 40% of the City's General Fund revenues. Sales tax revenue makes up another 19%, while other fees and services cover the remaining 41%. The revenues from the General Fund provide maintenance and operational support for streets, drainage, parks, infrastructure, police and fire protection. The verbiage contained within this ordinance is in compliance with requirements of Section 26.05(b)(1)(B) of the Texas Tax Code.

Mayor White requested citizens to address the Council about the tax rate. There were none. He closed the public hearing at 8:32 p.m.

ITEM 5-A. DISCUSSION AND/OR ACTION TO CONSIDER RESOLUTION 2025-27 TO AWARD A CONTRACT TO BRS ARCHITECTURE TO CONDUCT A FEASIBILITY STUDY TO GUIDE THE DEVELOPMENT OF A NEW RECREATION CENTER AT THE FORMER HOMETOWN CINEMA SITE AND THE FUTURE DEVELOPMENT OF A PROPOSED RECREATION CENTER ADJACENT TO THE NEW AQUATICS FACILITY, AND AUTHORIZE THE CITY MANAGER TO NEGOTIATE A CONTRACT WITH BRS TO OVERSEE THE DESIGN AND CONSTRUCTION OF THE NEW RECREATION CENTER.

Mr. Hughes stated that on May 13, 2025, staff published a Request for Qualifications (RFQ) for architectural and engineering design services to build a new recreation center by renovating and retrofitting an existing building. Staff received 10 Statements of Qualification in response to the RFQ. Four firms were selected for interviews: Parkhill, Levy Dykema, Barker-Rinker-Seacat (BRS), and Burditt Land Place. Barker-Rinker-Seacat (BRS) was selected as the finalist by the review committee on June 27, 2025. If the professional services contract with BRS is approved by City Council, BRS will begin work on the final design of the facility and oversee construction. Deliverables for the project include design, construction documents, bid documents, a proforma and operational planning. The project will be completed in two steps. The first step will consist of a feasibility study, facility design, construction pricing, and operational planning. This step contemplates the formation of a citizen steering committee consisting of members representing the Parks Advisory Board, Caldwell County Commissioners, Lockhart ISD, and other relevant parties. The second step will consist of the selection of a building contractor, production of construction documents and the oversight of construction. Step 1 is scheduled for completion in approximately 6 months. Step 2 will commence immediately after and is scheduled to be completed 10 months later.

The BRS design and construction administration team will also include Barker Rinker Seacat Architecture, P.C., Halff & Associates, and Ballard King & Associates to provide design expertise and assistance to various aspects of the project including:

- Landscape Architecture / Site Design
- Architecture
- Mechanical, Electrical, Plumbing (MEP)
- Recreation Center Design,
-Operational Proforma, and
- Civil Engineering

There was discussion about formation of a steering committee to provide recommendations of the development of the Recreation Center.

Councilmember Michelson made a motion to approve Resolution 2025-27, as presented. Councilmember Lairsen seconded. The motion passed by a vote of 7-0.

ITEM 5-B. DISCUSSION AND/OR ACTION TO CONSIDER ADOPTION OF ORDINANCE 2025-18 REGARDING THE ESTABLISHMENT OF A RESIDENTIAL PARKING PERMIT PROGRAM.

Chief Williamson stated that the ordinance creates the framework for a Residential Parking Permit Program, specifically regulating on-street parking in residential areas. The program does not automatically designate any parking restrictions. Instead, property owners would be required to petition the City Council for the creation of a residential permit parking area. Only upon council approval would a designated permit area be established. This ordinance was tabled at the previous meeting for further review and is now being reconsidered by the Council. Questions were raised about whether both sides of a street must be designated as a permit area, whether residents can request only one side of the street be designated as a permit area, if there is a fee for permits, and whether a public hearing is needed. Staff and Council adequately addressed these questions, and the ordinance was clarified to specify that the permit fee applies only to lost permits. The program is proposed in response to ongoing complaints from residents near the high school, where student parking in surrounding neighborhoods has limited on-street parking for residents during school hours. He stated that staff have worked with James Bertram to address his concerns that were expressed at the last Council meeting. There was discussion.

Councilmember Lairsen made a motion to approve Ordinance 2025-18, as presented. Councilmember Castillo seconded. The motion passed by a vote of 7-0.

ITEM 5-C. DISCUSSION AND/OR ACTION REGARDING ORDINANCE 2025-19 ADOPTING THE CITY OF LOCKHART'S ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2025 2026 AND APPROPRIATING RESOURCES, BEGINNING OCTOBER 1, 2025, ENDING SEPTEMBER 30, 2026, FOR THE CITY OF LOCKHART, CALDWELL COUNTY, TEXAS AND THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION AND ADOPTING THE CITY'S INVESTMENT POLICY, FINANCIAL POLICY, AND FUND BALANCE - STABILIZATION AND EXCESS OF RESERVES POLICIES.

Councilmember Lairsen made a motion to approve Ordinance 2025-19 adopting the City of Lockhart's and Economic Development Corporation's annual budget for the Fiscal Year 2025-2026 beginning October 1, 2025 and ending September 30, 2026. Councilmember Westmoreland seconded.

The roll call vote is as follows:

Councilmember Brad Westmoreland – Aye
Councilmember Juan Mendoza – Aye
Mayor Pro-Tem Angie Gonzales-Sanchez – Aye
Councilmember John Lairsen – Aye
Councilmember John Castillo – Aye
Councilmember Jeffry Michelson – Aye
Mayor Lew White – Aye

The motion passed by a vote of 7-0.

Councilmember Westmoreland made a motion to ratify the property tax reflected in the budget for Fiscal Year 2025 – 2026 of the City of Lockhart, Texas. Councilmember Lairsen seconded. The motion passed by a vote of 7-0.

ITEM 5-D. DISCUSSION AND/OR ACTION REGARDING ORDINANCE 2025-20 ADOPTING THE TAX RATE ON TAXABLE PROPERTY WITHIN THE CITY LIMITS OF THE CITY OF LOCKHART, TEXAS AND LEVYING MAINTENANCE AND OPERATIONS PROPERTY TAXES FOR THE USE AND SUPPORT OF THE CITY OF LOCKHART, TEXAS AND INTEREST AND SINKING PROPERTY TAXES FOR THE DEBT SERVICE OBLIGATIONS OF THE CITY OF LOCKHART, CALDWELL COUNTY, TEXAS FOR FISCAL YEAR 2026, BEGINNING OCTOBER 1, 2025 AND ENDING SEPTEMBER 30, 2026.

Councilmember Michelson made a motion to approve the maintenance and operations rate adopted at .4113 cents per 100 of assessed value as listed in Ordinance 2025-20 thereby adopting said ordinance. Councilmember Castillo seconded. The motion passed by a vote of 7-0.

Councilmember Castillo made a motion to approve the interest and sinking rate adopted at .1428 cents per 100 of assessed value as listed in Ordinance 2025-20 thereby adopting said ordinance. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

Councilmember Lairsen made a motion that the property tax rate be increased by the adoption of a tax rate of .5541 which is effectively 11.85 percent increase in the tax rate. Councilmember Mendoza seconded.

The roll call vote is as follows:

Councilmember Brad Westmoreland – Aye
Councilmember Juan Mendoza – Aye
Mayor Pro-Tem Angie Gonzales-Sanchez – Aye
Councilmember John Lairsen – Aye
Councilmember John Castillo – Aye
Councilmember Jeffry Michelson – Aye
Mayor Lew White – Aye

The motion passed by a vote of 7-0.

ITEM 5-E. DISCUSSION AND/OR ACTION REGARDING ORDINANCE 2025-21 REPEALING UNCODIFIED ORDINANCE 2024-25 IN ITS ENTIRETY AND ADOPTING THIS ORDINANCE REGARDING THE CITY PERSONNEL POLICY MANUAL; REMOVING PERFORMANCE OR MERIT PAY FOR POLICE AND FIRE PERSONNEL AND ADOPTING A STEP PAY PLAN FOR POLICE AND FIRE DEPARTMENTS UNDER CIVIL SERVICE.

Ms. Bowermon stated that the Fiscal Year 2025-2026 Budget includes a four and half percent (4 1/2 %) pay increase for all full-time and part-time regular City of Lockhart employees. In compliance with Civil Service, classified police and fire positions are paid per a step pay plan, which is set by ordinance. The proposed ordinance reflects increasing the step plans as included in the budget. Agencies in central Texas continue to experience unremitting vacancies in public safety positions. Consequently, this 4 1/2% adjustment is being proposed to enhance Lockhart's ability to recruit and retain qualified police officers and fire fighters. The City will continue to offer the $10,000 hiring incentive to police officers as well as the lateral entry pay program.

Mayor Pro-Tem Sanchez made a motion to approve Ordinance 2025-21, as presented. Councilmember Castillo seconded. The motion passed by a vote of 7-0.

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

Mayor Pro-Tem Sanchez expressed condolences to the Zapata family for their loss.

Councilmember Castillo expressed a Happy Retirement to Steve Lewis, City Manager. He thanked Mr. Lewis for his dedication to the Council, community and staff.

Councilmember Michelson thanked staff for their work on the budget. He thanked Steve Lewis for his dedication to the Council, community and staff during his tenure as City Manager.

Mayor White also thanked Steve Lewis for his dedication during his tenure as City Manager. He requested an agenda item on the next Council agenda about the 4th of July committee.

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

- Lockhart Planning Department recognized by the Texas Chapter American Planning Association for the new Comprehensive Plan.
- National Night out is scheduled for October 7th.
- Reminder: There will not be a City Council meeting on the first Tuesday of October due to the National Night Out event. The meeting has been moved to Thursday, October 9, 2025.

EXECUTIVE SESSIONS

Mayor White announced that the Council would enter Executive Session at 9:10 p.m. to discuss items 8 and 9 below.

Mr. Lewis stated that the Economic Development Department did not receive the necessary documentation for agenda item 8A, therefore, that item will not be discussed in closed session.

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.

A. Discussion and/or action regarding economic development negotiations with Projects CA-237 and CA-246.

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 LEGAL MATTERS SUBJECT TO ATTORNEY/CLIENT PRIVILEGE.

A. Discussion regarding water supply contracts.

ITEM 10. OPEN SESSION.

Mayor White announced that the Council would enter Open Session at 9:35 p.m.

A. Discussion and/or action regarding economic development negotiations with Projects CA-237 and CA-246.
There was no action taken.

B. Discussion and/or action regarding water supply contracts.
There was no action taken.

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 9:37 p.m.

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

CITY OF LOCKHART

_____
Lew White, Mayor

ATTEST:

_____
Julie Bowermon
City Secretary

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: April 21, 2026

AGENDA ITEM CAPTION: Discussion and/or action to consider an extension to the FY 2025 Hotel Occupancy Tax Agreement with the Gaslight-Baker Theater, updating the project completion deadline to June 30, 2026, and authorize the City Manager to execute the contract amendment.

ORIGINATING DEPARTMENT AND CONTACT: Finance - Keeli Michna

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: The Gaslight-Baker Theater was awarded $15,000 from the Hotel Occupancy Tax Advisory Board and City Council during Fiscal Year 2025. The first payment of $7,500 was issued in August 2025 for restoration and repainting projects on the building. The original deadline for completion was the end of calendar year 2025. Due to unforeseen circumstances, the organization was unable to complete the project by the deadline and has requested an extension through June 30, 2026. The Hotel Occupancy Tax Advisory Board approved the extension during their March 12, 2026 meeting.

If approved, City staff will coordinate with the Theater to execute a contract amendment updating Section VII. EFFECTIVE DATE; TERMINATION to extend the agreement term. As amended, the section would read as follows:

VII. EFFECTIVE DATE; TERMINATION
This Agreement shall begin the 7th day of May 2025 and shall continue in force for a period to end on June 30, 2026.

All other terms of the Agreement shall remain unchanged and in full force and effect. Upon completion of the project and submission of the Post-Event Form, the City will release the remaining $7,500 payment in accordance with the amended agreement.

PROJECT SCHEDULE (if applicable):

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

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

City of Lockhart, Texas

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COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends the approval of the FY 2025 Hot Funding Agreement Extension.

LIST OF SUPPORTING DOCUMENTS: FYE 2025 - Gaslight Baker Theater_Signed

STATE OF TEXAS }

} KNOW ALL MEN BY THESE PRESENT:

COUNTY OF CALDWELL }

PUBLICITY AND TOURISM AGREEMENT

This Agreement is made on the 7th day of May 2025, by and between the City of Lockhart, Texas, a municipal corporation of Caldwell County, Texas, and the Gaslight-Baker Theater.

I. AUTHORITY

The City of Lockhart, Texas, by authority of power granted to it under state statutes and Home-Rule Charter, and Article IV, Chapter 54 of the Code of Ordinances, has heretofore enacted a local hotel occupancy tax on occupants of hotels within the city limits and extraterritorial jurisdiction of the City of Lockhart.

II. PAYMENTS, PURPOSE AND USES OF FUNDS

(a) As part of its obligation under state statutes (primarily Ch. 351, Texas Tax Code), to use local hotel occupancy tax funds for attracting and promoting tourism and the convention and hotel industry, the City of Lockhart hereby agrees to pay to the Gaslight-Baker Theater $15,000 actually received by the City from the local hotel occupancy tax as reported and collected from the hotels, in consideration for the Gaslight-Baker Theater advertising and promoting tourism for the visitor market from which the City of Lockhart derives direct tourism income benefit. Such payment shall be made in two installments of $7,500. First installment will be paid on or about May 9, 2025, and final installment will be paid on or about September 30, 2025. This request will require a post-event form to be considered for future funding.

(b) The Gaslight-Baker Theater agrees that any local hotel occupancy tax funds paid to it by the City of Lockhart shall be used in any of the following specific criteria:

1) Historical restoration and preservation projects or activities and conducting solicitation and promotional programs to encourage tourists to visit preserved historic sites or museums; encouragement, promotion, improvement and application of the arts; advertising, solicitations, and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity ($15,000);

(c) The Gaslight-Baker Theater agrees to conduct a continuing program of advertising and promotion for the purpose of attracting visitors, tourists, and conventions to the local area and to the City of Lockhart by publishing and distributing brochures and community

information packets, by advertising in various tourists publications and general media publications, which are appropriate, by representing the City of Lockhart at travel shows and other such events, by participating with state and regional agencies in tourist development programs of benefit to the local area and to the City of Lockhart, and by using all appropriate means to increase the traveling public's awareness of the recreations advantages of the local area and the City of Lockhart.

(d) The Gaslight-Baker Theater further agrees that it will seek to achieve economic benefit for the City of Lockhart through all of such activities, that it will provide tourist-related information about the City of Lockhart upon request, that it will not spend HOT funds for any purpose that is not authorized under Ch.351, Texas Tax Code, and that it will serve as an advisory body to the City on request, in matters related to expanding the tourist-derived economy.

III. INDEPENDENT CONTRACTOR

It is expressly understood and agreed by and between the parties that the Gaslight-Baker Theater is engaged as an independent contractor and is not an officer, agent, or employee of the City of Lockhart.

IV. COMMITMENT OF RESOURCES

The Gaslight-Baker Theater shall secure sufficient numbers of employees and/or volunteers to accomplish this Agreement. The Gaslight-Baker Theater shall further provide such office space, equipment, supplies, and other materials as may be necessary to accomplish the purposes of this Agreement.

V. BUDGET, ANNUAL REPORTS, AND FINANCIAL STATEMENTS

(a) The Gaslight-Baker Theater shall provide to the City, prior to obtaining any local hotel occupancy tax funds, City of Lockhart Funding Application form, a proposed marketing plan for funded event (if applicable), and a schedule of activities or events relating to the funded project. It is understood and agreed by and between the parties that upon budget approval by the municipality, a fiduciary duty is created in the Gaslight-Baker Theater with respect to expenditure of revenue provided.

(b) **Thereafter, the Gaslight-Baker Theater shall provide to the City Council a post even form, as well as an annual financial statement listing the expenditures made from revenue from the local hotel occupancy tax. The listing of expenditures of such funds must be consistent with the approved application request and any additional written or oral representations made to the HOT Board and City Council in a public meeting.**

(c) All expenditures by the Gaslight-Baker Theater of hotel/motel tax revenue must be properly documented by voucher statement or other written description and said

expenditure must relate to the promotion of tourism and convention or other purposes authorized by state law. The Gaslight-Baker Theater shall maintain complete and accurate financial record for each expenditure of local hotel occupancy tax revenue, and upon request of the city Council or other persons, shall make the records available for inspection and review.

(d) It is understood and agreed between the parties that hotel occupancy tax funds may be spent by the Gaslight-Baker Theater for historical restoration and preservation projects or activities and conducting solicitation and promotional programs advertising, solicitations, and promotional programs to attract tourists ($15,000).

VII. EFFECTIVE DATE; TERMINATION

This Agreement shall begin the 7th day of May 2025 and shall continue in force for a period to end on December 31st, 2025. The City Council shall review the Agreement annually prior to budget adoption. However, either the City or the Gaslight-Baker Theater shall, upon affording proper written notice in the manner herein below provided, have the option to terminate this Agreement at any time within thirty (30) days after giving such notice. Where such termination occurs, any funds remaining in the separate account, described in Section V above, immediately shall be returned to the City of Lockhart by the Gaslight-Baker Theater, and a final accounting of the separate account shall be presented by the Gaslight-Baker Theater to the City of Lockhart Finance Director within thirty (30) days after such termination.

VIII. NOTICE

Any notice necessary or appropriate relative to this Agreement shall be effective when deposited in the United States mail, either certified or registered mail, postage prepaid, and addressed to the City of Lockhart, P. O. Box 239, Lockhart, Texas, 78644, or to the Gaslight-Baker Theater, P.O. Box 1152, Lockhart, Texas, 78644.

IX. ASSIGNMENT

No part of this Agreement may be assigned or delegated without prior written consent of the other party, and any attempted assignment of benefits or rights or delegation of duties or obligations shall be a breach of this Agreement. However, nothing in this Agreement shall prohibit the Gaslight-Baker Theater from participating with regional or state tourism programs or to contract for joint promotion with other agencies.

X. AVAILABILITY OF FUNDS

It is expressly agreed that by executing this Agreement with the Gaslight-Baker Theater, the City does not bind itself in the future as to any action of the City Council in connection with the alteration or repeal or amendment of the City of Lockhart, Texas, hotel occupancy tax.

In the event, for any reason, the taxes are not collected by the City of Lockhart under the provisions of the hotel occupancy tax ordinance, the City shall not be obligated under this Agreement to pay any funds of the City to the Gaslight-Baker Theater. The City shall pay the Gaslight-Baker Theater only when and if the taxes are collected. Under no circumstances is the City obligated to pay funds, other than hotel occupancy tax funds, in the performance of this contract.

It is also understood between the parties to this Agreement that in the event that no taxes are ever collected and therefore no funds are available from the City of Lockhart, Texas, hotel occupancy tax, this Agreement shall terminate, any provisions contained herein notwithstanding, and that the Gaslight-Baker Theater shall have no right or demand upon the City for funds payable under this Agreement if such taxes are not available, for any reason.

XI. INDEMNITY CLAUSE

The Gaslight-Baker Theater agrees to and shall indemnify and hold harmless and defend the City of Lockhart, Texas, its officers, agents, and employees from any and all claims, losses, causes of action and damages, suits, and liability of every kind including all expenses of litigation, court costs, and attorney fees, for injury to or death to any person, or for damage to any property, arising from or in connection with the operations of the Gaslight-Baker Theater, its officers, agents, and employees carried out in furtherance of this Agreement.

XII. APPROVAL; AUTHORIZED SIGNATURES

This Agreement shall be subject to the laws and statutes of the State of Texas. Each party warrants and represents that it has approved this Agreement by resolution duly adopted at a meeting of its governing body by a majority of those present and voting and that the chief executive officer and secretary of each party are duly authorized to enter into this Agreement on behalf of such party.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

GASLIGHT-BAKER THEATER

Jason Jones
President

CITY OF LOCKHART

Steve Lewis
City Manager

ATTEST:

Julie Bowermon
City Secretary

City of Lockhart, Texas

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COUNCIL MEETING DATE: April 21, 2026

AGENDA ITEM CAPTION: Discussion and/or action to consider the purchase of a replacement M420B Base Station from Aqua-Metric through the HGAC Buy Purchasing Cooperative (Contract No. WM09-20) in the amount of $69,926.54 for the Electric, Water, and Wastewater Departments, and authorize the City Manager to execute any necessary documents.

ORIGINATING DEPARTMENT AND CONTACT: Finance - Keeli Michna

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: The City of Lockhart currently operates two base stations that collect data for electric and water meters, located on the Wichita Water Tower and the San Jacinto Water Tower. Both units were installed in 2011 and are now at the end of their useful life.

The base stations are critical to ensuring accurate and timely meter readings for utility billing. Due to age and advancements in base station technology, the existing units are outdated and no longer serviceable if they fail. The base station located on the Wichita Water Tower is currently experiencing operational issues, resulting in uncollected meter reads of approximately 300–400 meters. As a result, staff have been required to perform manual readings, decreasing utility billing efficiency and increasing staff demands. The affected meters include a mix of electric and water accounts, with the majority being water meters.

Staff recommends replacing the Wichita Tower base station at this time as a proactive measure to maintain system reliability and avoid potential disruptions to utility data collection and billing operations. The San Jacinto Tower base station is planned for replacement in the Fiscal Year 2027 budget.

The proposed purchase through the HGAC Buy Purchasing Cooperative is in compliance with City's adopted purchasing policy, provides competitive pricing, and maintains consistency with the City’s existing vendor for base station and meter infrastructure to support reliable system operations. The total cost of $69,926.54 will be allocated proportionally among the Electric, Water, and Wastewater funds.

PROJECT SCHEDULE (if applicable):

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

City of Lockhart, Texas

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FISCAL NOTE (if applicable): Sufficient funds are available within the respective utility funds to support this purchase.

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION:

LIST OF SUPPORTING DOCUMENTS: Quote - Wichita Tower Base Station

Aqua Metric

Aqua-Metric Sales Company
16914 Alamo Parkway, Bldg. 2 | Selma, TX 78154
Phone: (210) 967-6300 | Facsimile: (210) 967-6305

April 7, 2026

Client: City of Lockhart, TX
Attention:
Address
City, State, Zip:
Phone:
Email:

Line No.	Item	Quantity	Tariff Total	Unit	Extended
Base Station Exchange Quote - Wichita Tower					
	M420B Base Station with SPM-900	1	$1,041.48	$37,872.00	$37,872.00
	Communication Backhaul	1		$1,500.00	$1,500.00
	M420B Base Station Installation at Wichita Tower Includes: Removal of existing AMI infrastructure; Installation of new M420 (less magnetic mount); Vent Mount Hardware, and Talon 1 Magnetic Cable Hangers	1		$26,921.43	$26,921.43
	Annual M420 Base Station Extended Warranty	1		$2,591.63	$2,591.63

Subtotal:	$68,885.06
Tariffs:	$1,041.48
Sales Tax:	$0.00
Total:	**$69,926.54**

This quote for the product and services named above is subject to the following terms:

1. All quotes are subject to the Aqua-Metric Terms of Sale unless there is an executed agreement between the parties. Terms of Sale can be found online at www.aqua-metric.com
2. Quote is valid for thirty days.
3. If modifications in materials, labor, or processing are required to meet new regulations, the pricing submitted herein is subject to immediate change.
4. Freight allowed on single Sensus Product orders exceeding $80,000.00.
5. Net Thirty Days to Pay
6. Returned product may be subject to a 25% restocking fee. Additional details apply.
7. Sales Tax and/or Freight charges are not included.
8. TAXES AND FEES. All prices quoted are exclusive of federal taxes, state taxes, municipal taxes, tariffs, duties, and other government-imposed fees (collectively the "Taxes and Fees") related to the procurement, installation, and delivery of materials and equipment. Customer shall be liable for all applicable Taxes and Fees imposed upon the Goods purchased. Taxes and Fees will be added to each applicable invoice and are the responsibility of the Customer. If Customer is exempt from sales tax, Customer is required to provide all applicable tax exemption documentation at the time of purchase. Any changes in Taxes and Fees may result in adjustments to the final invoice accordingly.
9. Minimum 5 year term for SaaS Model with Annual 3% price increase
10. Customer to provide electricity to Base Stations and Base Station mounting hardware
11. Customer to provide static IP address and monthly data (SIM) for backhaul communication - Aqua-Metric suggests Verizon Wireless or AT&T
12. Pricing does not include staging, product storage, or consumer outreach program
13. Pricing does not include bonding
14. Any items beyond quote above subject to price negotiations

Thirkettle Corporation General Terms of Sale

1. DEFINITIONS.
   1.1. "Customer" means the party purchasing goods or services pursuant to these Terms of Sale ("Terms").
   1.2. "Company" means Thirkettle Corporation, including without limitation wholly owned subsidiaries Aqua-Metric Sales Company™ and Utiliuse™, who is the authorized reseller of certain Goods provided to Customer.
   1.3. "Goods" broadly means the collective Products and/or Services sold or otherwise provided by the Company.
   1.4. "Product" means any tangible material, object, or software offered for sale by the Company.
   1.5. "Service" means a business act or task as performed by an individual at a predetermined billable rate.
   1.6. "Supplier" refers to a third-party business entity who manufacturers or supplies various Goods furnished by the Company.
2. CONTRACT OF SALE. All Goods offered for sale are subject to the prices and terms specified in (i) the Terms outlined herein, (ii) an applicable Company quotation, bid, or proposal (collectively, the "Proposal"), and/or (iii) separate agreement duly executed by and between the Company and Customer; all of which are subject to change. A Customer's purchase order or similar writing shall constitute an acceptance of the offer to sell (the "Agreement"); however, any inconsistent, additional or different terms to the Proposal contained in a Customer's request for quotation or purchase order (collectively, "Additional Terms") are hereby objected to and rejected by the Company. Such Additional Terms will not become part of the Agreement unless accepted by the Company in a writing. Notwithstanding anything to the contrary herein, these Terms may be incorporated by reference or otherwise modified, in whole or in part, into a mutually acceptable agreement duly executed between the Company and the Customer.
3. PROPOSALS. Proposals are inclusive of only the Goods detailed within a formal Company quotation form. Proposals will remain valid for a period of thirty (30) days unless otherwise noted. All pricing is subject to change based on the manufacturer's suggested retail price. The Company reserves the right to apply a price adjustment to all quotes or orders received and not delivered to the Customer as a result of economic price increase or decrease in cost of raw materials, labor, or transport at the time imposed by the Company's Suppliers. Any supplemental or incidental Goods required but not included will be subject to additional costs to the Customer. THE COMPANY MAKES NO GUARANTEE, EITHER EXPRESSED OR IMPLIED, THAT PROPOSAL PRICING IS ALL INCLUSIVE.
4. ANNUAL SERVICES. Annual Services are the recurring fees for software or Services required to operate, maintain, or support Customer's product and/or software; including but not limited to annual support fees, Software-as-a-Service (or "SaaS") licensing fees, server or data hosting and licensing fees, or any fee requiring a fee for service. Unless otherwise agreed upon in writhing between the Company and Customer, annual subscription services will automatically renew annually and will be subject to an automatic annual escalation to the antecedent annual fee imposed by the Supplier.
5. TAXES AND FEES. All prices quoted are exclusive of federal taxes, state taxes, municipal taxes, tariffs, duties, and other government-imposed fees (collectively the "Taxes and Fees") related to the procurement, installation, and delivery of materials and equipment. Customer shall be liable for all Taxes and Fees imposed upon the Goods purchased under this Agreement. Taxes and Fees will be added to each applicable invoice and are the responsibility of the Customer. If Customer is exempt from sales tax, Customer is required to provide all applicable tax exemption documentation at the time of purchase. Any changes in Taxes and Fees during this Agreement may result in adjustments to the final invoice accordingly.
6. PAYMENT TERMS. Customer shall pay all undisputed invoices in US Dollars within thirty (30) days of the invoice date. The Company reserves the right to establish credit limits for Customer and may require full or partial payment prior to provisioning of any Goods. All payments shall be made via credit card (VISA or MasterCard), check or electronic ACH payment. In the event of dispute, Customer must notify the Company, in writing, within seven (7) days of receipt of an invoice. Notwithstanding, if Customer fails to pay any non-disputed invoice within 30 days of the invoice date, the Company may, in its sole discretion, 1) assess late fees in the amount of one (1) percent per calendar day past due or the highest rate permitted by law, 2) place Customer on "credit hold" and withhold or suspend, in whole or in part, current or future orders or business Services, including without limitation the Annual Services; until Customer has paid all delinquent amounts plus any applicable late fees to the Company. Further, the Company may, in its sole discretion, transfer delinquent invoices to a third-party collections agency. In such event, Customer will be responsible for all fees assessed, including reasonable attorney fees, to collect Customer debts.
7. PRODUCT LEAD TIMES. All purchase orders will be prioritized and fulfilled in the order received. Stock orders will be fulfilled in the most expeditious means available. Non-stock or special order Goods delivery times will be subject to availability and Supplier lead times.
8. PACKAGING. The Company reserves the right to select the manner in which Products are packaged. Quoted prices include standard packaging. Special requirements for packaging will be subject to additional charges.
9. SHIPPING AND HANDLING. All Products will be shipped Freight on Board (FOB) Destination Freight Prepaid and Added. The Company will ship all Products using the most economical ground transportation service. Expedited shipments, such as "next day" or "second day", will be at the Customers expense unless otherwise agreed upon by the Company. All applicable shipping and handling charges will be included on the Company's invoice to the Customer. The Company does not guarantee and therefore will not be liable for any delays in shipment.
10. FREIGHT. Oversized Product(s) or bulk orders will be shipped on standard Less-Than-Truckload ("LTL") freight carriers when applicable. The Customer is required to provide the necessary equipment required (i.e. loading dock, fork lift, pallet jack, etc.) to unload the shipment upon arrival. If the Customer does not have access to equipment necessary to unload the Product(s), Customer must inform the Company in advance and prior to shipment. Customer will be responsible for any additional cost(s) or fee(s) incurred for special handling requirements.
11. FREIGHT ALLOWANCE. Single Sensus product orders exceeding $80,000 will be shipped FOB Freight Allowed unless otherwise specified and agreed upon in writing. Freight allowance is only applicable to single orders shipped complete. Partial shipments must be specified in writing at the time of order placement. The Company reserves the right to refuse freight allowance and/or bill partial freight costs on final invoice.
12. TITLE. Title of Product(s) shall transfer to customer on the date of delivery to Customer's premises.
13. LOSS OR DAMAGE CLAIMS. The Customer is responsible for reporting lost or damaged Products as a result of improper packaging and/or handling to the Company within fifteen (15) business days. Claims may become void if made more than fifteen (15) business days after the product shipment date. Damaged Product(s) will be returned to the point of origin for inspection. The Company reserves the right to repair or replace product(s) damaged in shipment.
14. CHANGES OR CANCELLATIONS. Orders submitted to the Company must be canceled or changed by Customer in writing prior to the shipment of Product(s). The Company reserves the right to invoice shipping charges for orders cancelled after deliverables shipped.
15. RETURNS. No Product(s) may be returned for refund without the prior written authorization of the Company. The Company reserves the right to refund the cost of deliverables less a restocking fee and/or shipping and handling charges upon receipt of return product. Refunds will be processed and issued within thirty (30) days from the receipt of the returned product(s). Authorized returns must be received by the Company within six (6) months of the delivery date to the Customer, in "like-new" condition to the Company's designated receiving point, must be shipped in original or suitable packaging, must be accompanied by a packing slip, including the Company's return authorization number, and must have transportation charges prepaid. All returned product(s) will be inspected upon delivery for any indication of use or damage. Customer will be responsible for returning the product(s) to the Company's designated distribution warehouse and any cost(s) incurred to repackage and/or shipping carrier fees. Customer will be responsible

for any damages incurred during shipment. The Company reserves the right to refuse Product(s) which have been installed, used, or otherwise returned in any condition other than new. The Company reserves the right to deduct an adequate service charge to cover all inspection, testing and handling from any return.

16. RESTOCKING FEE. Return Product(s) are subject to a twenty-five percent (25%) restocking fee. Special order Product(s), including but not limited to: meter reading equipment, infrastructure, or any Product(s) requiring a unique configuration, are subject to fifty percent (50%) restocking fee. Due to the custom configuration of electric meters, all electric meter sales are final.

17. OBSOLESCENCE. The Company shall not be held liable for planned or unplanned obsolescence of product(s), parts, or software discontinued by any Supplier.

18. PRODUCT WARRANTIES.

18.1. EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, THE SERVICES AND SOFTWARE ARE PROVIDED BY THE COMPANY ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE; HOWEVER, ANY SUPPLIER WARRANTIES RECEIVED BY THE COMPANY FROM ITS SUPPLIERS SHALL BE PASSED ONTO CUSTOMER.

18.2. The Company warrants that the Services provided by the Company will be performed in a professional and workmanlike manner with a degree of care, skill and competence that is consistent with the then generally accepted industry standards reasonably expected of similar types of engagements and the Goods will substantially conform to the Goods specified in the applicable Proposal.

18.3. The Company further warrants that the Product(s) furnished shall be provided to the best of the Company's reasonable ability and in accordance with the information and data provided by Customer in the preparation of the Proposal. The Company makes no representation, warranty, or covenants that the Product(s) furnished will be fully identical or compatible with the make, model, or type required by Customer's specifications.

18.4. Standard Supplier's Warranty. Where available, standard Supplier warranties shall apply to all software, service(s), and product(s) furnished by the Company's third-party Suppliers. Nothing in these Terms shall be construed to amend, extend, enhance, or limit the supplier warranties offered unless such change has been expressly offered by the Supplier in writing and duly accepted by the parties under separate agreement.

18.5. Meter Services Warranty. This Meter Services Limited Warranty covers the Meter Services (defined below) furnished under Agreement and in accordance with the terms and conditions as follows:

A. Definitions.

I. "Meter Services" means the installation or exchange of certain residential, commercial, or industrial water, electric, or gas utility meter(s) as provided by the Company or its subcontractor and pursuant to the services performed under agreement.

II. "Service Account" means Customer's physical property to which Customer provides a Utility Service.

III. "Utility Service" means the water, electric, and/or gas service offered and provided by Customer as applicable.

IV. "Worksite" means the actual area of work at the Service Account where the utility meter is located.

B. General Conditions.

I. The Company warrants that the Meter Services will be performed in a professional and workmanlike manner, exercising discretion in determining the appropriate degree of care, skill, and competence, and aligning with industry standards and codes to the extent reasonably practicable for similar type work.

II. The warranty is valid for a period of thirty (30) calendar days from the date the Meter Services were performed (the "Warranty Period").

III. The warranty is limited to the actual work performed by the Company or its subcontractors and does not include work performed by third parties not hired by the Company.

IV. The Company reserves the right, at its sole discretion, to inspect the Worksite and determine the appropriate course of action to address any warranty defect. If a claim for damage or defect is determined not to be covered by the warranty, the Company may invoice the Customer for any and all costs incurred in inspecting the Worksite. The Company's liability to the Customer under this warranty is strictly limited to, at the Company's option, the repair or correction of the defective Meter Services, and the Company shall not be liable for any other damages or costs.

V. This warranty is limited to the labor provided to perform the Meter Services and does not include labor to replace manufacturer defects unless such defect was actually caused by the Company's or it's subcontractor's negligence.

C. Water Utility Service.

I. The warranty is limited to the actual area of work: 1) within the meter box (exterior meter sets); or 2) end-to-end between the meter couplings (interior meter sets).

II. Customer acknowledges and agrees the Company may be unable to reasonably identify the presence or threat of potential or pre-existing damages or defects to the Customer's or property owner's service line. The Company does not warrant against damage or defect(s), whether or not such damage or defect was known, of the materials currently installed at the Service Account; including but not limited to the utility meter, service line piping, meter couplings, fittings, galvanized lines or fittings, curb stops, shut off valves, meter risers, meter setters, meter boxes or meter box lids, adjacent utilities lines in or around the utility meter, or other similar materials installed by others which have or may fail during the Meter Services due to age, normal wear and tear, deterioration, defect, deflection caused by ground shift, service line spring, high pressure or repressurizing of the water service, non-compliance with current industry regulations or codes, negligence, tampering, or lack of proper or routine maintenance.

III. Customer acknowledges and agrees that the temporary disconnection of the water Utility Service to conduct the Meter Services, and any subsequent restoration or pressurization of the water service, may introduce dirt or loosen service line debris (including but not limited to hard water, scale, sediment, etc.) into the service line. Such occurrences shall not constitute a material breach of this Agreement or negligence on the part of the Company. The Company shall not be liable for any damage or defects to household fixtures, including but not limited to water heaters, water softening or filtration systems, sloan valves, appliances, water pressure, electronics, or any other related appurtenances that rely on the water Utility Service provided by Customer. Customer further agrees to indemnify, defend, and hold harmless the Company from any claims, liabilities, or damages arising from such occurrences.

D. Electric Utility Service.

I. The warranty is limited to the actual area of work contained within the electrical meter box.

II. The Company does not warrant against damage or defect to electrical equipment including but not limited to wiring, conduit, wire nuts, relays, sockets, main switch, fuses and circuit breakers such as the residual current device (RCD), or other similar materials installed by others and contained within the meter box which may fail during the Meter Services due to age, normal wear and tear, deterioration, defect, non-compliant with current industry regulations or codes, negligence, tampering, or lack of proper or routine maintenance. Further, the Company does not warrant against damage or defect caused by hot sockets, overcurrent, electrical arcing, or external factors such as electrical surges.

III. Customer acknowledges and agrees that the electric Utility Service will be temporarily disconnected to conduct the Meter Services. The Company shall not be liable for any damage, defect, or loss to household fixtures, including but not limited to fuse and circuit panels, wiring, receptacles and switches, appliances, electronics, lighting, or any other related appurtenances that rely on the electric Utility Service provided by Customer and may become damaged, defective, or otherwise affected due to the electrical Utility Service disruption. Customer assumes all risks associated with such disruption and agrees to indemnify, defend, and hold harmless the Company from any claims, liabilities, or losses arising therefrom.

E. Gas Utility Service.

I. The warranty is limited to the actual work performed to exchange or retrofit a gas index or SmartPoint to the existing gas meter. The Company will not disconnect the gas Utility Service or perform any other service to the existing gas utility meter during the Meter Service.

F. Limitations.

I. The Company does not warrant against defects to the work resulting from tamper, vandalism, negligence, “Acts-of-God”, pre-existing or uncontrollable conditions, or any service work or repair performed by third parties not hired by the Company.

II. Unless otherwise expressly provided herein, neither the Company, nor any of its suppliers, vendors, licensors, subcontractors, including employees, agents, or assigns thereof, warrants that the operation of the services will be uninterrupted or error free. Further, neither the Company, nor any of its suppliers, vendors, licensors, subcontractors, including employees, agents, or assigns thereof, will be responsible for (i) lost revenue, including revenue lost from third parties, persons, or entities, such as bills for electricity, lighting, gas, or water consumption; (ii) any In/Out Costs, where “In/Out Costs means any and all costs and expense incurred by Customer in transporting goods between Customer’s warehouse and Service Account, including any and all costs and expenses incurred in installing, uninstalling, and removing goods; and (iii) any manual meter reading costs and expenses.

III. The Company, nor any of its suppliers, vendors, subcontractors, or assigns including employees, agents, or assigns thereof, shall not be responsible for any Service Account in which it’s occupant(s) rely on the Utility Service for medical reasons, including proper function of certain medical equipment, and such Service Accounts have not been previously disclosed by Customer to the Company. In avoidance of doubt, the Company expressly disclaims liability for Service Accounts which require Utility Services to operate certain medical equipment including but not limited to breathing machines, respiratory devices, ventilators, cardiac pumps, apnea monitors, feeding equipment, dialysis, communication devices, or other similar devices. Customer will provide the Company with a list of all known or suspect Service Accounts which rely on constant Utility Services to operate medical equipment in advance of the Meter Services. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE STATE LAW(S), CLIENT SHALL HOLD THE COMPANY, ITS SUPPLIERS, SUBCONTRACTORS, OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, AND ASSIGNS HARMLESS FROM ANY AND ALL LOSSES, COSTS, FINES, PENALTIES, DAMAGES, AND OTHER AMOUNTS (INCLUDING REASONABLE ATTORNEY FEES) INCURRED BY, ASSESSED AGAINST, OR IMPOSED ON THE COMPANY AND ARISING FROM OR IN CONNECTION WITH ANY AND ALL THIRD PARTY SUITS, CLAIMS, ACTIONS OR DEMANDS FOR (I) PERSONAL INJURIES, DEATH OR (II) DAMAGE TO TANGIBLE PERSONAL AND REAL PROPERTY CAUSED BY CLIENT’S FAILURE TO COMPLY WITH THIS SECTION.

G. LIMITATIONS AND DISCLAIMERS OF LIABILITY.

I. LIMITATIONS. Unless otherwise expressly provided herein, neither the Company nor any of its service providers, licensors, employees or agents warrant that the operation of the Services will be uninterrupted or error free. The Company will not be responsible for any damages that Customer may suffer arising out of use, or inability to use, the Services, except to the extent such damages are directly caused by the Company's gross negligence or willful misconduct.

II. DISCLAIMER OF CERTAIN DAMAGES. IN NO EVENT SHALL ANY PARTY HAVE ANY LIABILITY TO ANOTHER PARTY HERETO FOR ANY LOST PROFITS (WHETHER DIRECT OR INDIRECT), LOSS OF USE, COSTS OF COVER, OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES HOWEVER CAUSED AND, WHETHER IN CONTRACT, TORT, WARRANTY OR UNDER ANY OTHER THEORY OF LIABILITY, WHETHER OR NOT THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE, EXCEPT TO THE EXTENT SUCH DAMAGES ARE DIRECTLY CAUSED BY THE COMPANY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

19. RETURN MATERIAL AUTHORIZATION. Product(s) returned for warranty and in accordance with Standard Supplier’s Warranty will be returned directly to the Supplier unless otherwise instructed by the Company. Customer shall submit a list of defective items with description of failure, Product(s) type(s), model(s), serial number(s) or identification number(s), and any additional pertinent information requested by the Company to identify the product in Excel format to rma-norcal@aqua-metric.com; rma-socal@aqua-metric.com; rma-texas@aqua-metric.com; or rma-louisiana@aqua-metric.com. The Company will generate a Return Material Authorization (“RMA”) form for the Customer to include with the Product(s) shipment to the Supplier. Customer will be responsible for any cost(s) incurred to return the Product(s) to the Supplier for warranty claims.

20. FORCE MAJEURE. The Company shall not be held liable for delay, suspension, or cancellation in fulfilling or failure to fulfill its obligations under this Agreement, if such delay or failure is caused by events beyond the Company’s reasonable control, including, without limitation, natural calamity, acts of God, terrorist events, pandemic, epidemic, strikes, lockouts or labor disruption, wars, riots or embargo delays, government allocations or priorities, shortages of transportation, fuel, labor, or materials, inability to produce or procure the products or raw materials, or any other circumstance or cause, including unforeseen cost(s) imposed upon the Company by its Suppliers or governmental mandate to furnish the Goods which may arise from circumstances beyond the Company’s reasonable control.

21. LIMITATION OF LIABILITY.

21.1. THE COMPANY’S AGGREGATE LIABILITY IN ANY AND ALL CAUSES OF ACTION ARISING UNDER, OUT OF OR IN RELATION TO THIS AGREEMENT, ITS NEGOTIATION, PERFORMANCE, BREACH OR

TERMINATION (COLLECTIVELY "CAUSES OF ACTION") SHALL NOT EXCEED THE TOTAL AMOUNT PAID BY CUSTOMER TO THE COMPANY UNDER THIS AGREEMENT. THIS LIMITATION OF LIABILITY SHALL APPLY REGARDLESS OF THE LEGAL THEORY UNDER WHICH THE CLAIM IS BROUGHT, INCLUDING BUT NOT LIMITED TO BREACH OF CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER LEGAL OR EQUITABLE THEORY.

21.2. AS A SEPARATE AND INDEPENDENT LIMITATION ON LIABILITY, THE COMPANY'S LIABILITY SHALL BE LIMITED TO DIRECT DAMAGES. THE COMPANY SHALL NOT BE LIABLE FOR: (I) ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES; NOR (II) ANY REVENUE OR PROFITS LOST BY CUSTOMER OR ITS AFFILIATES FROM ANY END USER IRRESPECTIVE OF WHETHER SUCH LOST REVENUE OR PROFITS IS CATEGORIZED AS DIRECT DAMAGES OR OTHERWISE, INCLUDING REVENUE LOST FROM THIRD PARTIES, PERSONS, OR ENTITIES, SUCH AS BILLS FOR ELECTRICITY, LIGHTING, GAS, OR WATER CONSUMPTION; NOR (III) ANY IN/OUT COSTS; NOR (IV) CLAIMS MADE BY A THIRD PARTY; NOR (V) MANUAL METER READ COSTS AND EXPENSES. "IN/OUT COSTS" MEANS ANY COSTS AND EXPENSES INCURRED BY CUSTOMER IN TRANSPORTING GOODS BETWEEN ITS WAREHOUSE AND ITS END USER'S PREMISES AND ANY COSTS AND EXPENSES INCURRED BY CUSTOMER IN INSTALLING, UNINSTALLING AND REMOVING GOODS. "END USER" MEANS ANY END USER OF ELECTRICITY/WATER/GAS THAT PAYS CUSTOMER FOR THE CONSUMPTION OF ELECTRICITY/WATER/GAS, AS APPLICABLE.

21.3. The limitations on liability set forth in this Agreement are fundamental inducements to the Company entering into this Agreement. They apply unconditionally and in all respects and shall be interpreted as broadly as possible to afford the Company the maximum protection permitted under law. To the fullest extent permitted by law, no Cause of Action may be instituted by Customer against the Company more than six (6) months after the Cause of Action first arose. In the calculation of any damages in any Cause of Action, no damages incurred more than six (6) months prior to the filing of the Cause of Action shall be recoverable. If Customer is not the sole end user and ultimate owner of the Deliverables, then Customer shall ensure by its contract with the end user and ultimate owner (collectively, "Owner") that the Company is given the benefit of the exclusions and limitations set out in these Terms. To the maximum extent permitted by law, Customer agrees to indemnify, defend, and hold harmless the Company from and against any and all claims, liabilities, losses, damages, costs, and expenses, including attorney's fees, arising from or related to any Owner's claims, to the extent that the Company would not be liable to Customer under these Terms if the claim had been made by Customer.

22. INDEMNIFICATION. To the maximum extent permitted by law, Customer agrees to defend, indemnify, and hold the Company harmless from any and all losses, costs, fines, penalties, damages, and other amounts, including reasonable attorney fees (collectively the "Losses"), incurred by, assessed against, or imposed on the Company arising from or in connection with Customer's use of the Goods, regardless of whether such Losses were caused in part by the Company's actions or omissions, except to the extent such Losses were solely and directly caused by the Company's willful misconduct or gross negligence.

23. CONFIDENTIAL INFORMATION. As used herein, "Confidential Information" refers to any non-public, proprietary, or sensitive information disclosed by one party to another party in connection with this Agreement, whether in written, oral, electronic, or any other form. Confidential Information includes without limitation business plans, strategies, financial data, pricing, contracts, trade secrets, proprietary technology, software, technical specifications, Customer data (such as billing account data, payment information), Supplier information, employee information, and any other work product or information marked or reasonably understood to be confidential. Each party shall hold the other party's Confidential Information in confidence and shall not disclose such Confidential Information to third parties other than to consultants or contractors, subject to similar terms of confidentiality, when disclosure is necessary for the purposes set forth herein, nor use the other party's Confidential Information for any purpose other than the purposes set forth under this Agreement. The foregoing restrictions on disclosure shall not apply to information which is: (i) already known by the public, (ii) becomes, through no act or fault of the recipient, publicly known, (iii) received by recipient from a third party without a restriction on disclosure or use, (iv) independently developed by recipient without reference to the other party's Confidential Information, or (v) is a public record under applicable laws, subject to the terms of this Section. The Customer will maintain the confidentiality of all Company Confidential Information, and the Company will maintain the confidentiality of all Customer Confidential Information, with each party taking all reasonable precautions to protect the same, and at a minimum taking those precautions used to protect its own Confidential Information from unauthorized use or disclosure.

24. ASSIGNMENT. Customer may not assign, transfer or delegate this Agreement or any part of Customer's rights or duties without prior written consent of the Company. Any attempted assignment in violation of this section shall be null and void.

25. GOVERNING LAW AND DISPUTE RESOLUTION. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to its conflict of laws principles. In the event of any dispute arising out of or relating to this Agreement, the parties agree that jurisdiction and venue shall be proper in the state and federal courts of California, or, where applicable, in the state where the transaction giving rise to the dispute occurred. The parties shall first attempt to resolve the matter through an informal dispute resolution process by making a good faith effort, either through email, mail, phone conference, in person meetings, or other reasonable means to resolve any claim, dispute, breach or other matter in question that may arise out of, or in connection with this Agreement. If the parties fail to resolve the dispute within sixty (60) days of the date of receipt of the notice of the dispute, then the parties shall submit the matter to non-binding mediation. If no resolution is reached after having completed these steps in good faith, any legal action shall be brought in the state or federal courts located in California, and both parties consent to the exclusive jurisdiction and venue of such courts unless otherwise agreed.

26. COMPLIANCE WITH LAWS. Customer shall at all times comply with all applicable laws and regulations, as they exist at the time of acceptance and as they may be amended, changed, or supplemented. Customer shall not take any action or permit any action by a third party that could result in the Company being held liable for any violation of applicable laws. Customer shall perform its obligations under this Agreement in strict compliance with all Laws applicable to Customer's business, activities, and facilities. "Laws" shall include and refer to any and all federal (national), state, provincial, municipal, or local laws, regulations, rules, judicial decrees, decisions and judgments, executive and government orders and ordinances, and any and all directives of regional legislative and regulatory bodies and implementing legislation, as well as rules and regulations of any self-regulatory organization by which any party may be bound. Customer agrees to indemnify, defend, and hold harmless the Company from and against any and all claims, liabilities, losses, damages, costs, and expenses arising from or related to Customer's failure to comply with this clause.

27. SEVERABILITY. In the event any provision of this Agreement is held to be void, unlawful or otherwise unenforceable, that provision will be severed from the remainder of the Agreement and replaced automatically by a provision containing terms as nearly like the void, unlawful, or unenforceable provision as possible; and the Agreement, as so modified, will continue to be in full force and effect.

28. NON-WAIVER. The failure, delay, or partial exercise by the Company in exercising any right, power, or privilege under this Agreement shall not be construed as a waiver of any such right, power, or privilege, nor shall it preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. Any waiver by the Company must be in writing and signed by an authorized representative of the Company to be effective.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: April 21, 2026

AGENDA ITEM CAPTION: Discussion and/or action to consider approval of Project Ice House (Phase 1) with Techline Construction for system rehabilitation improvements to the LK20 feeder circuit in the amount of $324,970, and authorize the City Manager to execute all necessary documents.

ORIGINATING DEPARTMENT AND CONTACT: Electric - Bobby Leos

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: Project Ice House is a continuation of system improvements previously initiated through an engineering design contract with M&S Engineering for upgrades to the LK20 feeder circuit. The project involves re-conductoring approximately 6,600 feet of existing single- and three-phase overhead aluminum conductor to a three-phase, larger-gauge 477 AAC aluminum conductor, along with the installation of new air break switches.

This project is intended to improve the reliability and capacity of the LK20 feeder circuit by replacing aging and, in some areas, undersized infrastructure that is vulnerable to peak load demands and severe weather conditions. The improvements will enhance system performance and reduce the risk of outages.

The total estimated cost for Phase 1 of the Ice House Project is $324,970, which includes labor, equipment, and travel. Phase 2 of the project will be budgeted and brought back to City Council for consideration as part of the Fiscal Year Ending (FYE) 2027 budget process.

If approved, construction of Phase 1 is anticipated to commence following completion of Project No. 6 by Techline, currently expected in the third quarter of 2026 (June–August).

Techline Construction is LCRA's preferred contractor for high-voltage line work and has performed the majority of Lower Colorado River Authority (LCRA) projects for the City of Lockhart since 1995. Their experience with similar system rehabilitation projects ensures consistency with LCRA standards and reliable project delivery.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:
Funds Required: 324,970
Account Number: 500-5745-911
Funds Available: 324,970
Account Name: Construction/Project Improvement

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

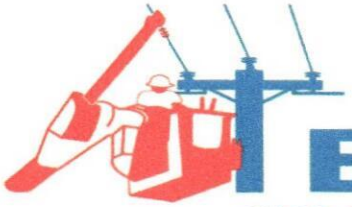
FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Electric Superintendent recommends approval.

LIST OF SUPPORTING DOCUMENTS: Techline labor travel and equipment



TECHLINE CONSTRUCTION, LLC

9609 BECK CIRCLE
AUSTIN, TEXAS 78758
DON LAWYER (903) 603-6260

April 6, 2026

City of Lockhart
Attn: Bobby Leos

RE: Ice House

Dear Bobby,

Thank you for giving Techline Construction, LLC the opportunity to quote on the Ice House Project. The estimated total for this project is $324,970.00. 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: April 21, 2026

AGENDA ITEM CAPTION: Discussion and/or action to provide direction on the Indoor Recreation Center project, including consideration of Phase 1 of a new Recreation Center or renovation of the Old Town Movie Theater, and authorize the City Manager to negotiate a design contract with Barker-Rinker-Seacat (BRS) and return to City Council for consideration.

ORIGINATING DEPARTMENT AND CONTACT: Parks & Recreation - Travis Hughes

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: City Council selected Barker-Rinker-Seacat (BRS) in September 2025 to provide architectural and design services for the Indoor Recreation Center project. The project was structured in two phases, with Phase 1 consisting of a feasibility study, conceptual design, construction pricing, and operational planning, and Phase 2 including final design, construction documents, bidding, and construction oversight.

The attached feasibility study and presentation summarize the results of a multi-month planning process that included public engagement, stakeholder workshops, and Steering Committee input. A total of 467 community responses were received, with 84% indicating that providing an indoor recreation center is very important to the community. An indoor recreation center has also been identified as a community priority in the City's Lockhart Looking Forward Comprehensive Plan and the Parks, Recreation & Open Space Master Plan. The facility is envisioned to include open and flexible spaces capable of supporting a variety of recreational activities and special events, ensuring broad utilization by the Lockhart community.

The study presents two options for Council consideration:

Option 1 – New Recreation Center (Phase 1): Development of an initial phase of a new recreation facility adjacent to the Aquatics Center, consisting of approximately 20,000 square feet, including a gym, walking track, fitness space, and classroom space, with an estimated cost of approximately $11.5 million.

Option 2 – Theater Renovation: Adaptive reuse of the Old Town Movie Theater into a recreation-focused facility, with conceptual designs illustrating flexible, multi-use programming space aligned with community needs and indoor recreation demand, consisting of approximately 13,800 square feet of indoor space, with an estimated cost of approximately $12 million.

This agenda item is intended to obtain Council direction on the preferred path forward. Based on Council direction, the City Manager will negotiate a design contract with BRS and return to City Council for review and consideration. If approved, the design team will proceed with Phase 2 of the project, including final design, construction documents, bidding, and

construction administration.

Funding for the selected option is anticipated through a 2026 Certificate of Obligation (CO) issuance, which will be presented to City Council at the next meeting based on Council direction. A refined Opinion of Probable Construction Cost (OPCC) will also be developed and presented at the 30% design milestone.

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: Provide direction on the preferred project option (new Recreation Center Phase 1 or theater renovation) and authorize the City Manager to negotiate a design contract with Barker-Rinker-Seacat (BRS) and return to City Council for review and consideration.

LIST OF SUPPORTING DOCUMENTS: 26.04.21 LRC - Council Presentation

BARKER RINKER SEACAT ARCHITECTURE

Lockhart TEXAS

LOCKHART INDOOR RECREATION FEASIBILITY STUDY



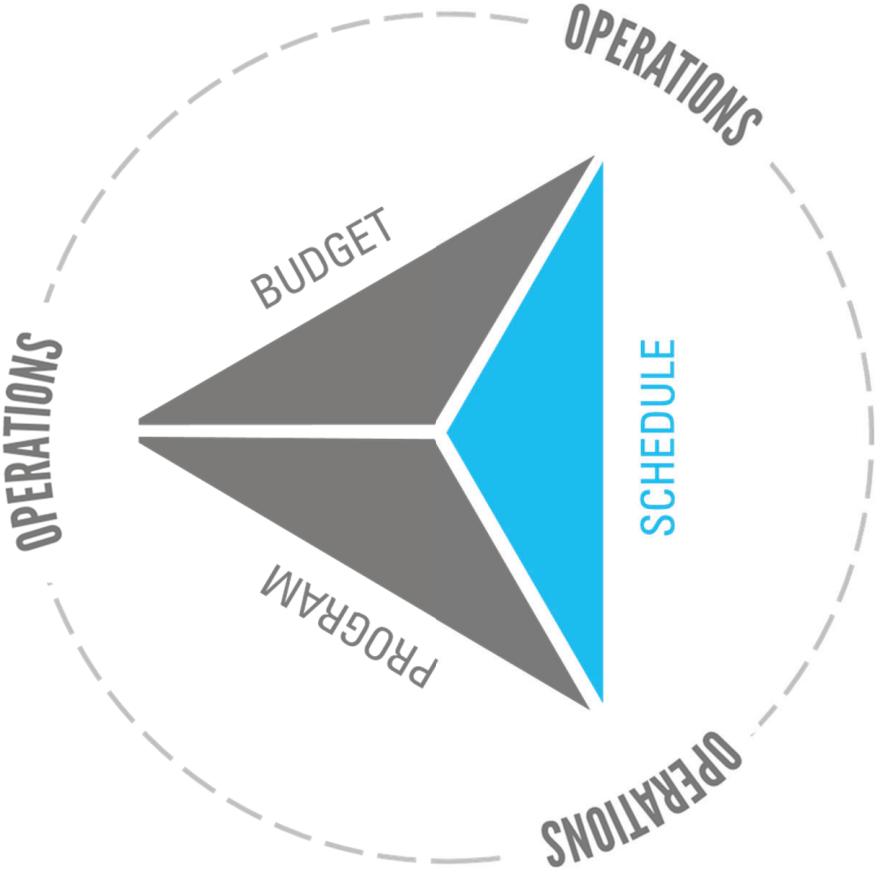
COUNCIL PRESENTATION

APRIL 21, 2026

STEERING COMMITTEE MEMBERS

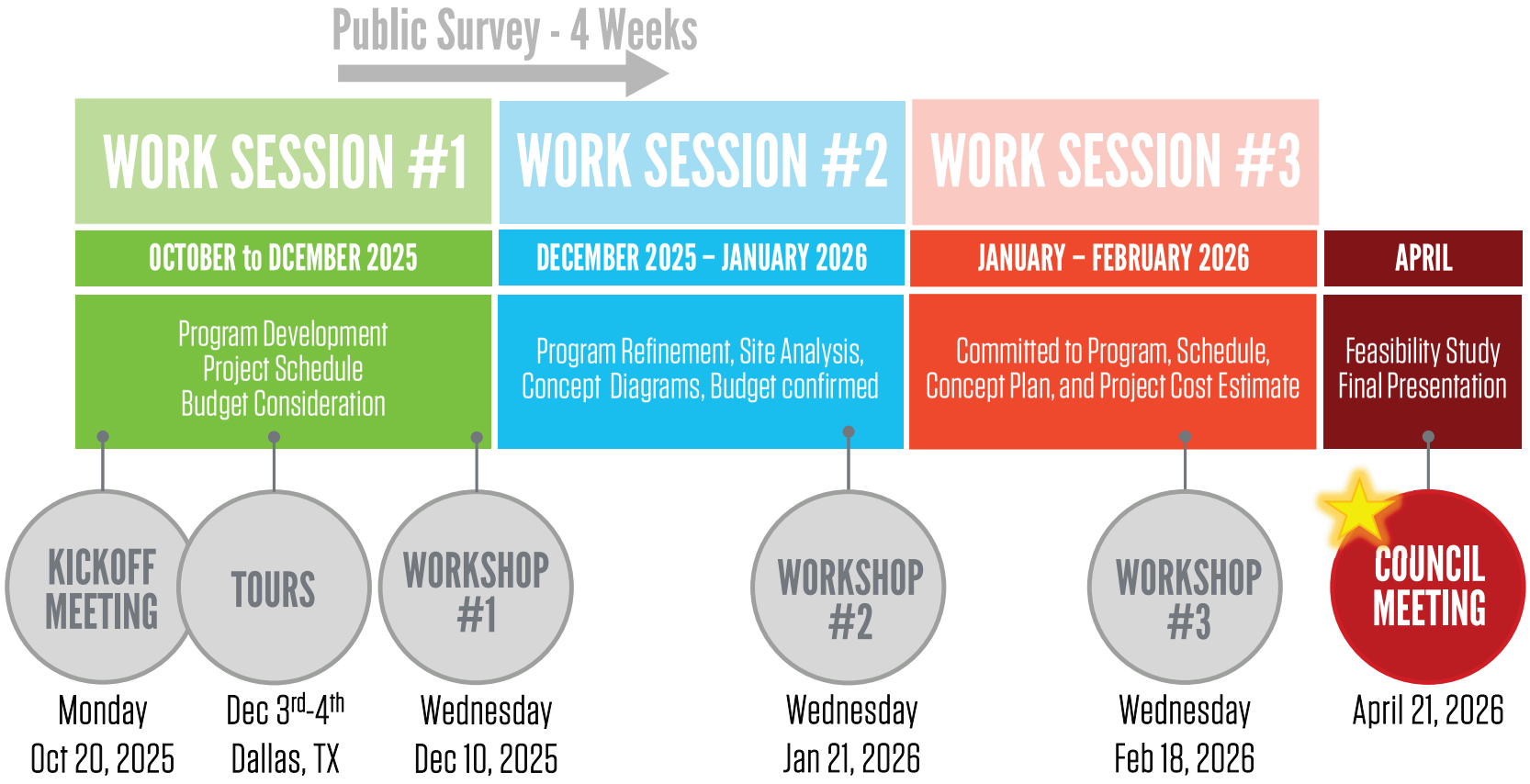
Travis Hughes	Director of Parks & Recreation
Karla Tate	Parks & Recreation Board
Melinda Kirst	Parks & Recreation Board
Jeremiah Chapman	LISD
BJ Westmoreland	County Commissioner
Chris St. Leger	Citizen
Sara Partridge	Citizen
Len Gabbay	Citizen
Tim Torres	Citizen

PROCESS


OPERATIONS
BUDGET
SCHEDULE
PROGRAM
OPERATIONS
OPERATIONS

SCHEDULE

PROJECT SCHEDULE








TOUR TOUR TOUR

Six Recreation Facilities in DFW - December 3-4






PUBLIC SURVEY

City of Lockhart - City Government
November 13, 2025 ·

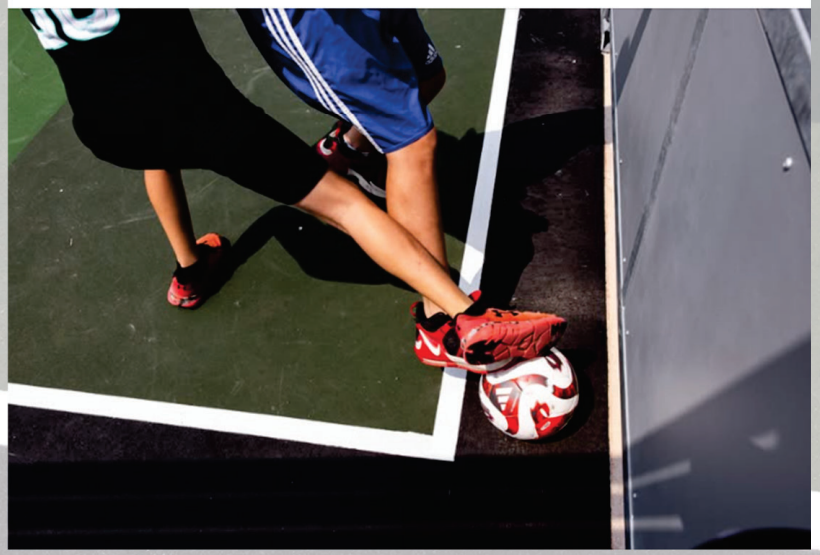
The City of Lockhart is kicking off a community planning effort to explore options for indoor recreation and we want to hear from you!

Your feedback will help us understand what types of spaces and programs residents would like to see, and guide decisions on whether to renovate, replace, or build new recreation facilities in Lockhart.

The survey takes just 10–15 minutes to complete, and your input will play a key role in shaping future recreation opportunities for our community.

Take the Recreation Center Survey here: https://forms.microsoft.com/r/y4RKA2YZNk

Thank you for helping us plan for a healthier, more active Lockhart!



2025 City of Lockhart Recreation Center Survey

The City of Lockhart is excited to announce the launch of a feasibility study aimed at assessing citizen interest in indoor recreation. Your participation in this survey is essential to help us understand the community's desired level of service and to determine how we renovate, replace, or construct additional facilities. This survey will take 10-15 minutes to complete, and we sincerely appreciate your participation and feedback. Thank you for being a vital part of shaping the future of our community!

When you submit this form, it will not automatically collect your details like name and email address unless you provide it yourself.

* Required

1. Including yourself, what are the age ranges of the people in your household?

1. Under age 5
2. Ages 5-12
3. Ages 12-17
4. Ages 18-24
5. Ages 25-44
6. Ages 45-54
7. Ages 55-64
8. Ages 65-74
9. Ages 75+

*

Enter your answer

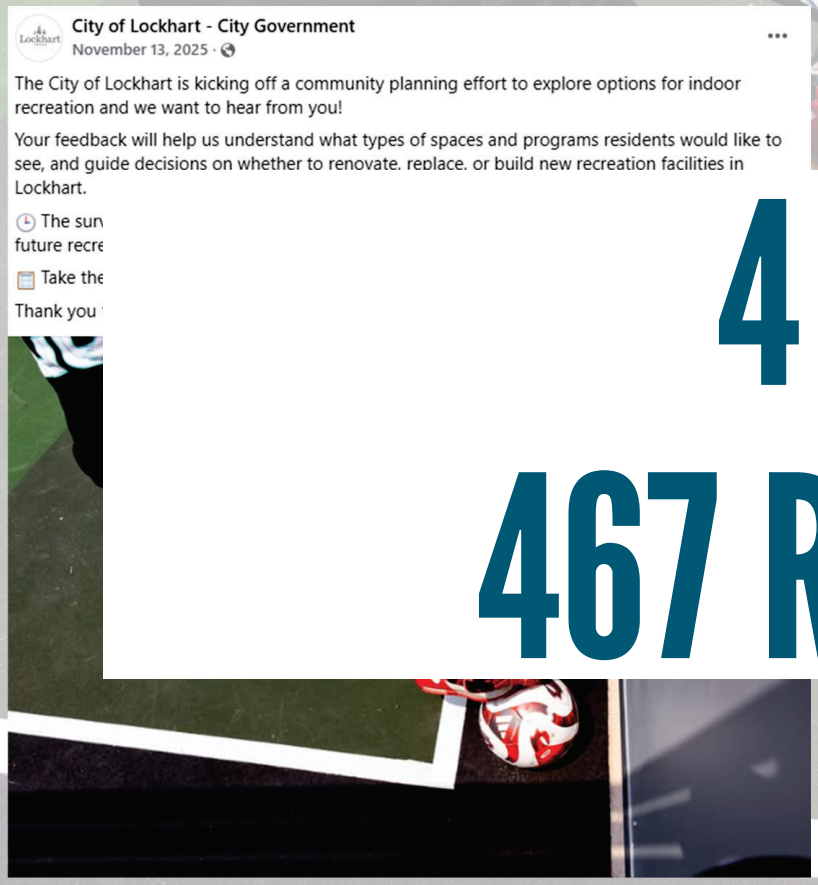
2. Do you or members of your household currently use indoor facilities that could include but are not limited to; community center, recreation center, aquatics centers, senior centers, or wellness facilities? *

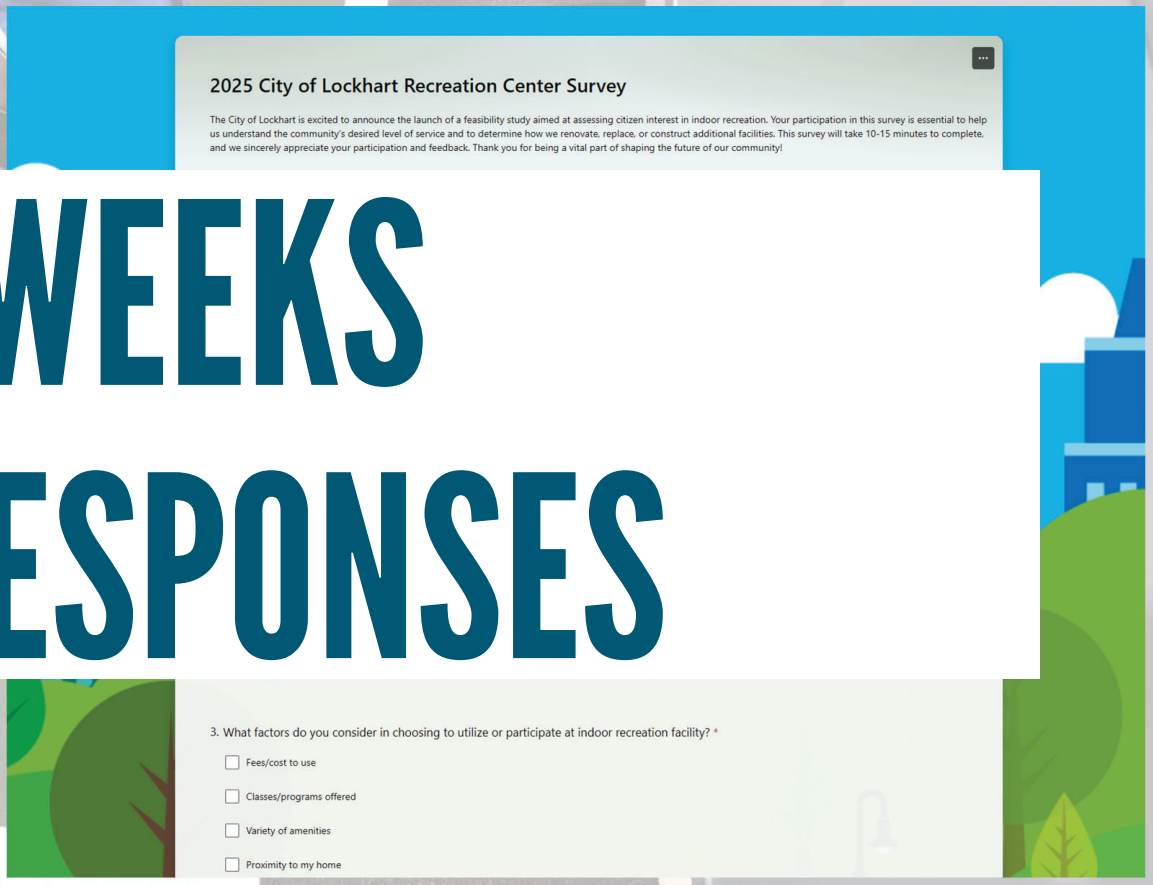
- ○ Yes
- ○ No

3. What factors do you consider in choosing to utilize or participate at indoor recreation facility? *

- ☐ Fees/cost to use
- ☐ Classes/programs offered
- ☐ Variety of amenities
- ☐ Proximity to my home

PUBLIC SURVEY





4 WEEKS

467 RESPONSES

MISSION, VISION, & GOALS

FEASIBILITY STUDY GOALS AND OBJECTIVES

Assess, envision, and design a new indoor recreation facility for Lockhart by retrofitting an existing building, AND assess and plan for a future recreation center, ensuring they both meet community needs and allow the maximum percentage of the population to benefit from them.

FEASIBILITY STUDY GOALS AND OBJECTIVES

KEY AREAS:

- Identify Indoor Recreation Needs for Lockhart system-wide: conduct a needs assessment, determine what programs and services the community desires to ensure concept designs are aligned with those community needs.

FEASIBILITY STUDY GOALS AND OBJECTIVES

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- Identify Indoor Recreation Needs for Lockhart system-wide: conduct a needs assessment, determine what programs and services the community desires to ensure concept designs are aligned with those community needs.

- Develop Recreation Center and Amenity Concepts: ensure the Recreation Center concept designs support the desired programming needs, ensure spaces are multi-functional, and ensure design is flexible to grow with the City and adapt to changing community needs.

FEASIBILITY STUDY GOALS AND OBJECTIVES

KEY AREAS:

- Identify Indoor Recreation Needs for Lockhart system-wide: conduct a needs assessment, determine what programs and services the community desires to ensure concept designs are aligned with those community needs.

- Develop Recreation Center and Amenity Concepts: ensure the Recreation Center concept designs support the desired programming needs, ensure spaces are multi-functional, and ensure design is flexible to grow with the City and adapt to changing community needs.

- (NEXT): Finalize Design & Manage the Construction of the new Recreation Center

HOPES AND DREAMS
FOR LOCKHART RECREATION CENTERS

UNIVERSAL ACCESS	Create a space where every citizen of Lockhart belongs.
ACTIVE LONGEVITY	Promote lifelong health through movement, education, and youth + senior engagement.
ADAPTIVE REUSE	Transform a city asset (an empty theater) into a unique, functional landmark that the community is proud of.
CATALYTIC IMPACT	Provide a foundational "win" that justifies future recreation investments.

FEARS AND CONCERNS
FOR LOCKHART RECREATION CENTERS

PUBLIC PERCEPTION	Managing expectations	Failure here could kill momentum for a larger, permanent facility.
GEOGRAPHIC EQUITY	Poor transit/location	Theater site may limit use to those with vehicles, contradicting inclusivity goals.
FUNCTIONAL DESIGN	Lack of space & light	An unpleasant or cramped environment may lead to low retention and one-time users.
FISCAL VIABILITY	Operation vs. Affordability	High overhead may force membership fees that price out low-income residents.

VISION STATEMENT

The Lockhart Recreation Center will **foster health and community growth** through the adaptive reuse of a city asset.

By transforming an empty theater into a functional landmark that **drives inclusivity, active longevity and universal access**, the project will ensure every citizen feels a true sense of belonging.

By establishing a **strategic foundation for indoor recreation** in the short term, we are building a vibrant, healthy, and connected Lockhart for the generations of tomorrow.

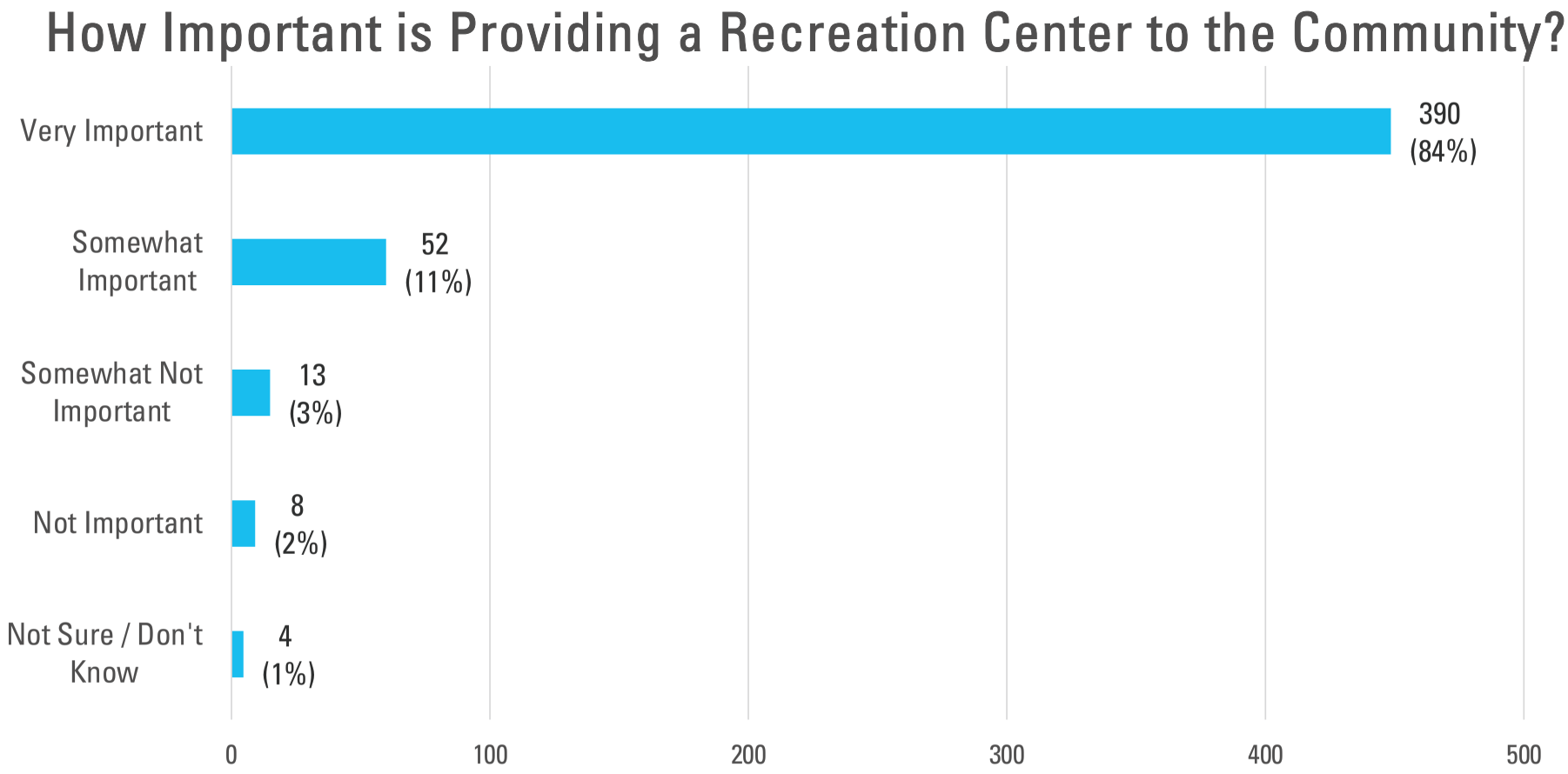


SURVEY RESULTS

467 RESIDENT RESPONSES

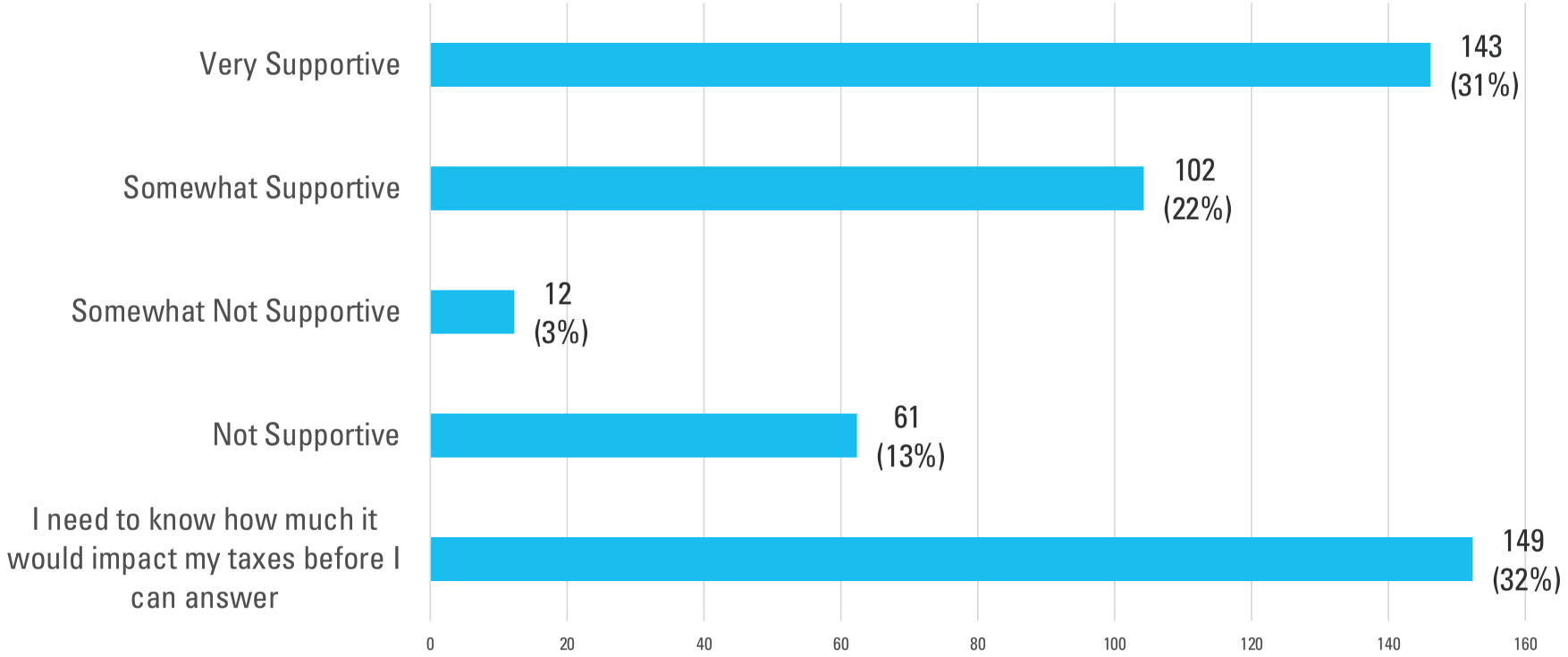
VALUE OF A REC CENTER

SURVEY

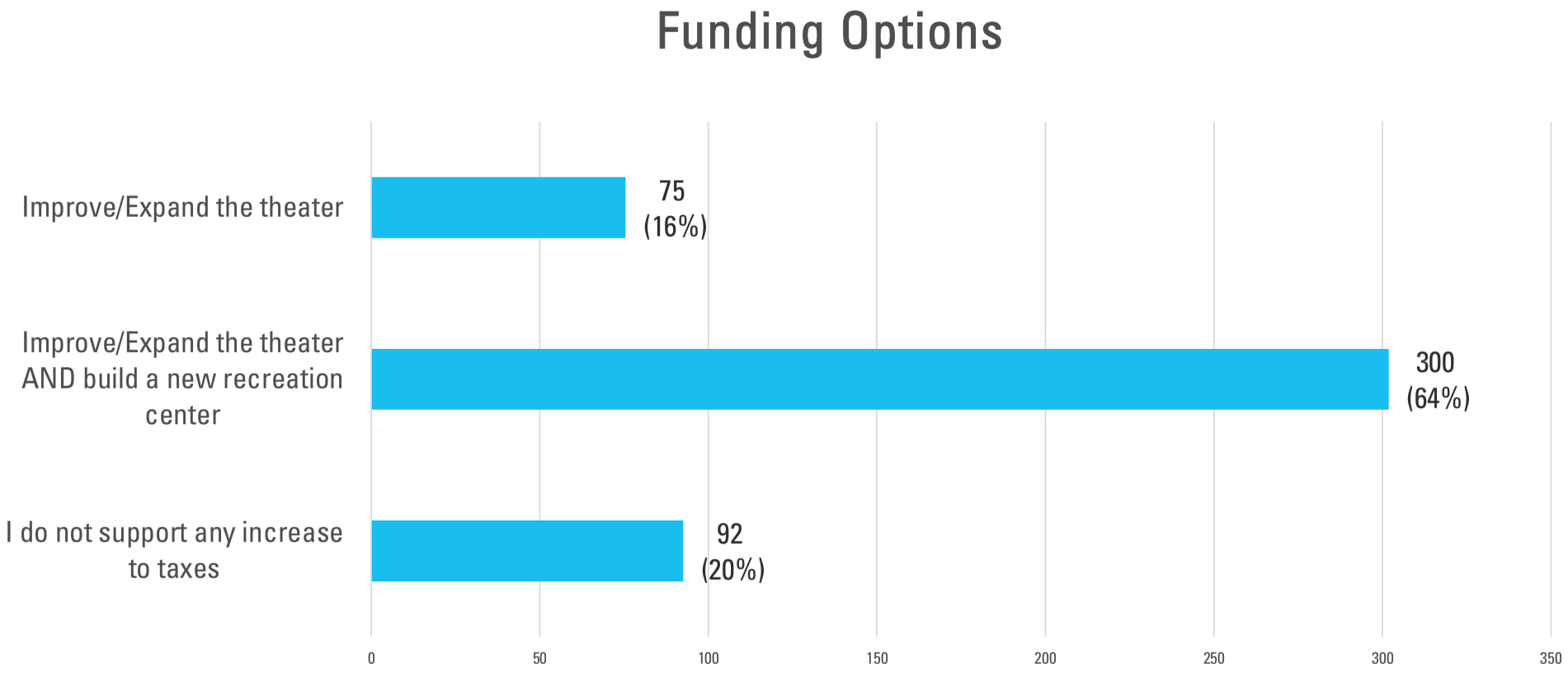

How Important is Providing a Recreation Center to the Community?
Very Important
390
(84%)
Somewhat Important
52
(11%)
Somewhat Not Important
13
(3%)
Not Important
8
(2%)
Not Sure / Don't Know
4
(1%)
0
100
200
300
400
500

SURVEY

Support of a Property Tax Increase to Fund a Rec Center

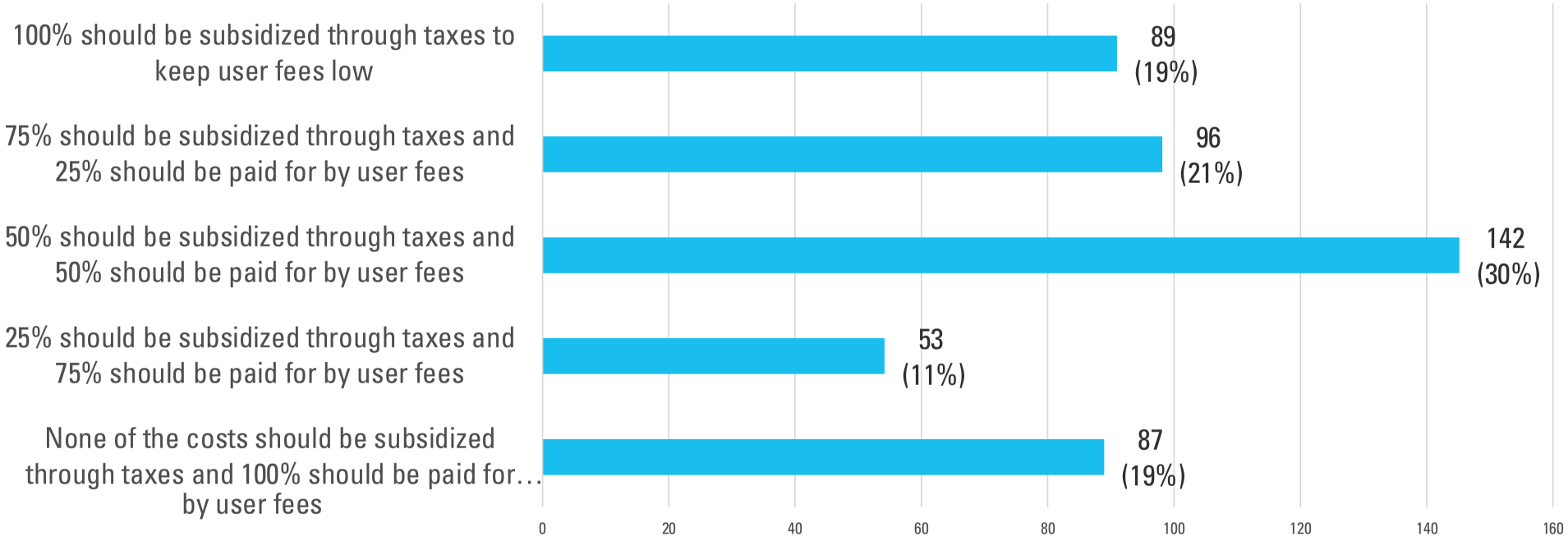


SURVEY


Funding Options
Improve/Expand the theater
75
(16%)
Improve/Expand the theater AND build a new recreation center
300
(64%)
I do not support any increase to taxes
92
(20%)
0
50
100
150
200
250
300
350

SURVEY

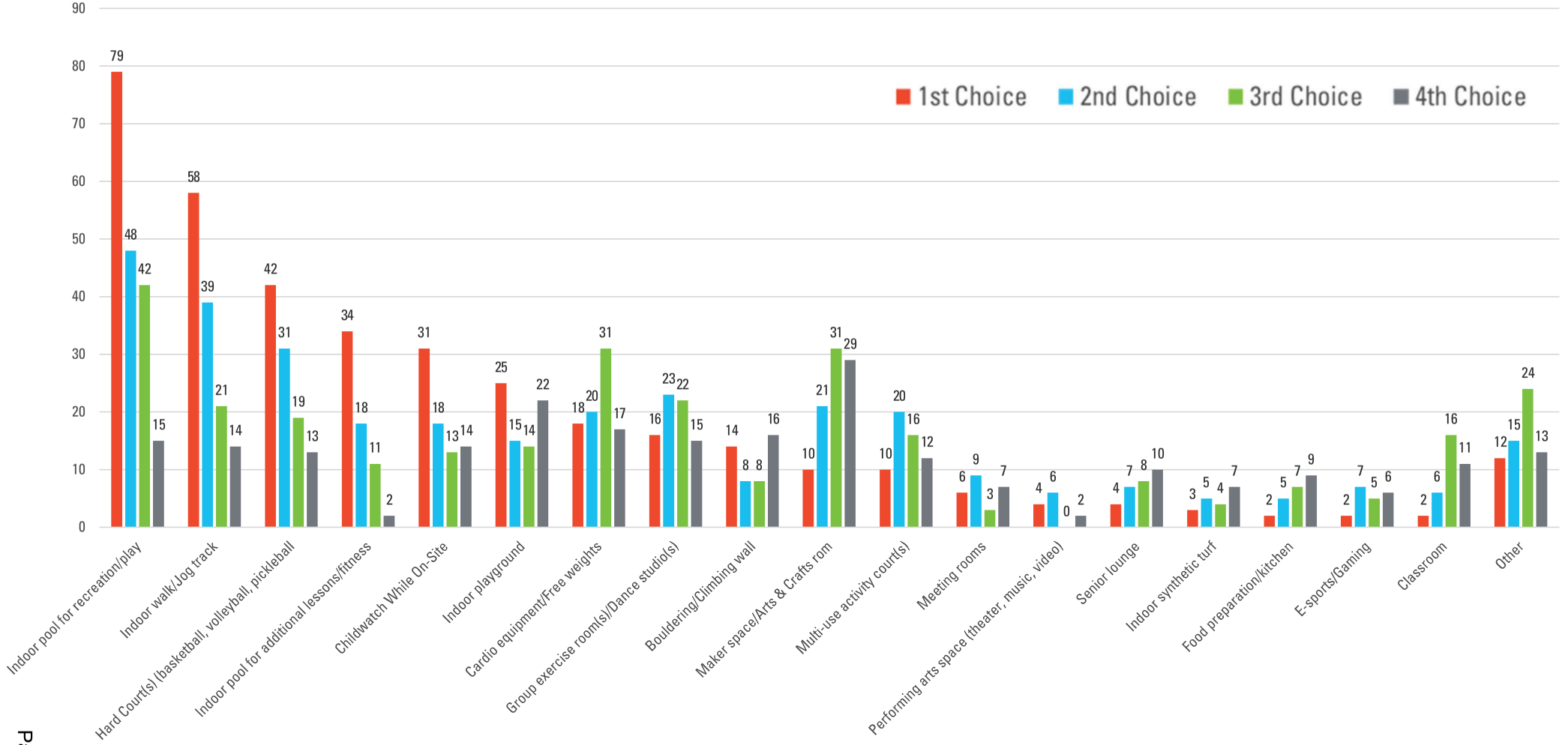
How should costs be subsidized?



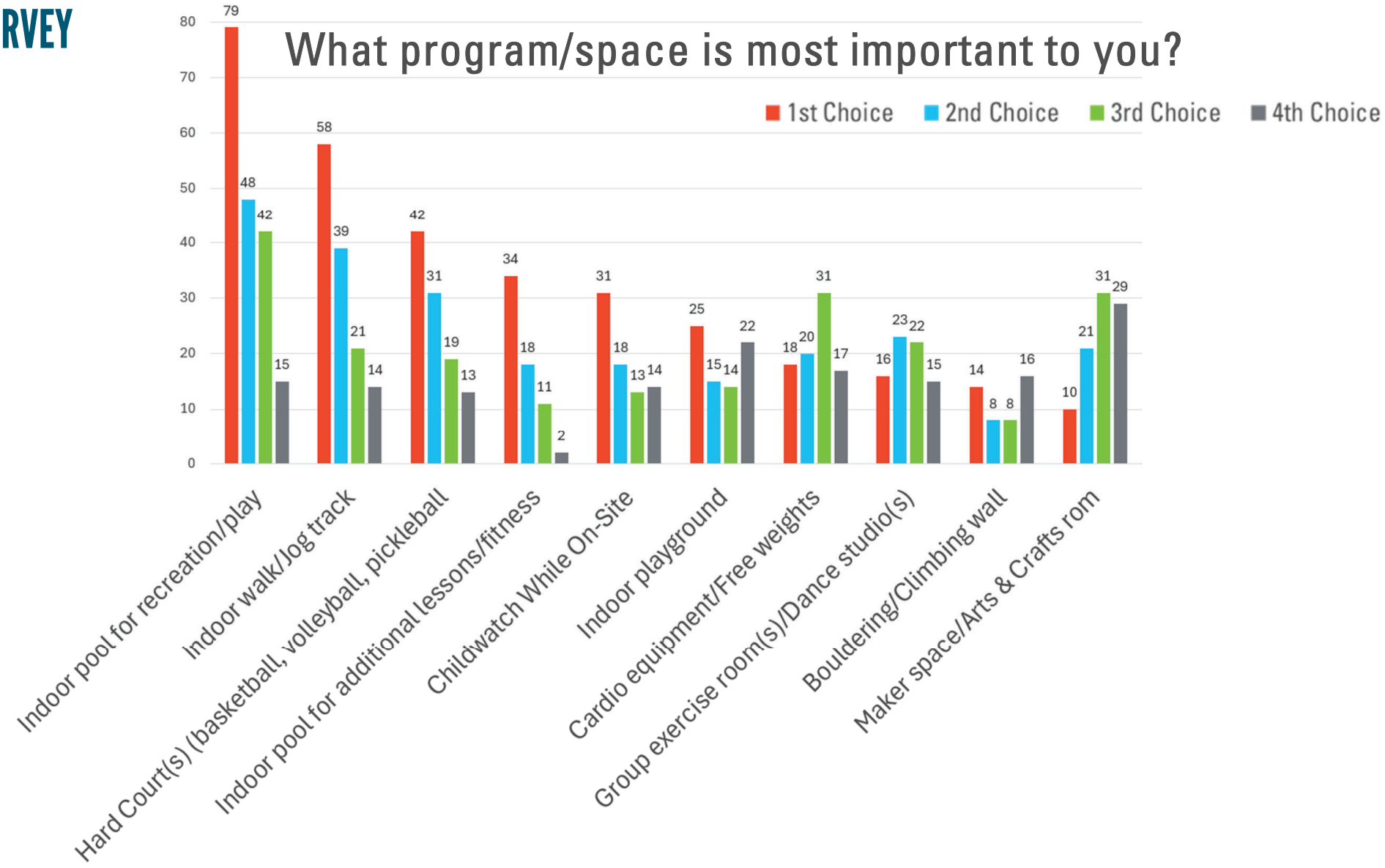
PROGRAMMING

SURVEY

What program/space is most important to you?

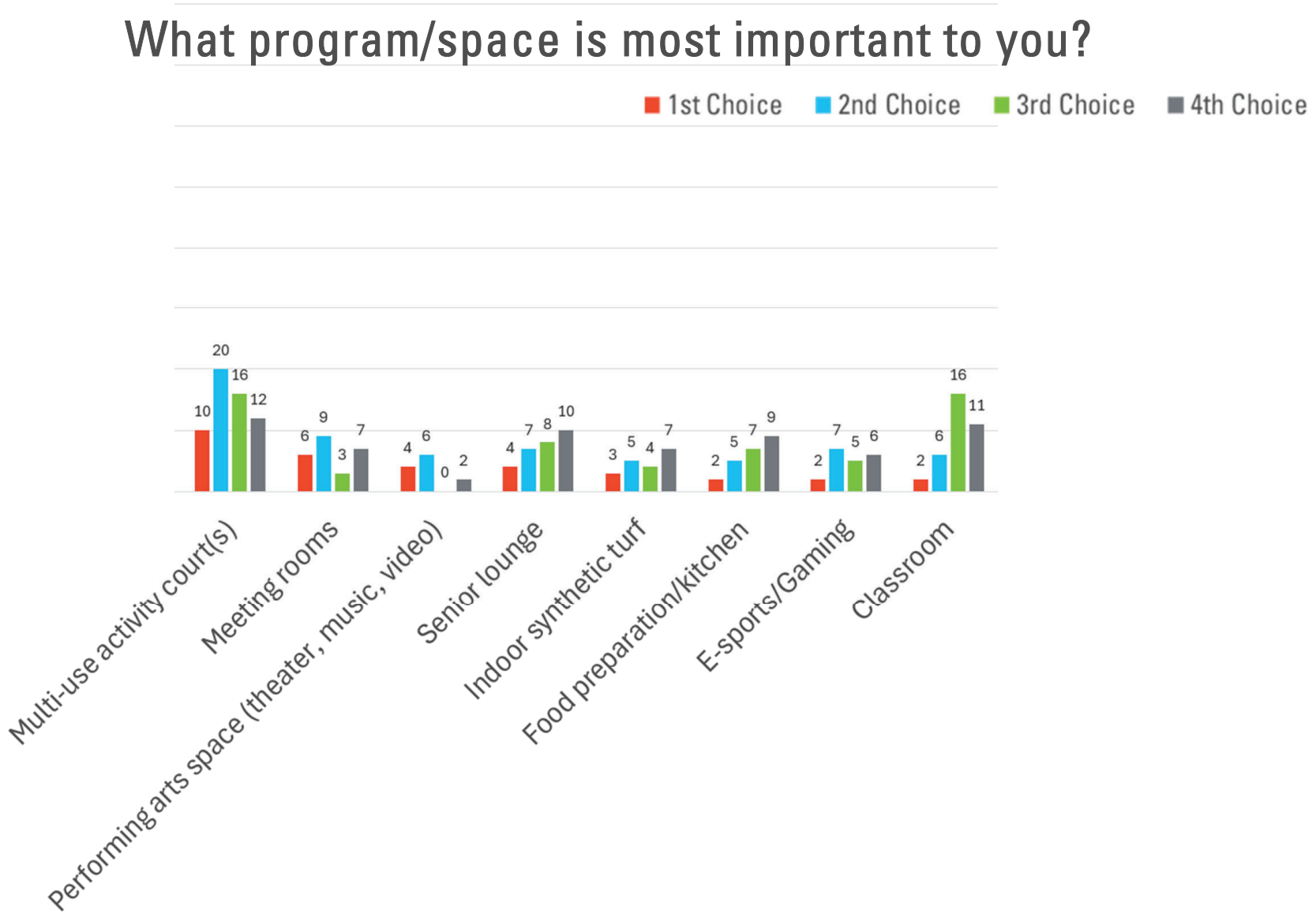


SURVEY


What program/space is most important to you?
1st Choice
2nd Choice
3rd Choice
4th Choice
0
10
20
30
40
50
60
70
80
Indoor pool for recreation/play 79 48 42 15
Indoor walk/Jog track 58 39 21 14
Hard Court(s) (basketball, volleyball, pickleball 42 31 19 13
Indoor pool for additional lessons/fitness 34 18 11 2
Childwatch While On-Site 31 18 13 14
Indoor playground 25 15 14 22
Cardio equipment/Free weights 18 20 31 17
Group exercise room(s)/Dance studio(s) 16 23 22 15
Bouldering/Climbing wall 14 8 8 16
Maker space/Arts & Crafts rom 10 21 31 29

SURVEY

What program/space is most important to you?



SURVEY

Aquatics

Fitness

Community

1. Indoor Leisure Activity Pool
2. Indoor walk/jog track
3. Hard Courts (basketball, volleyball, pickleball)
4. Indoor Pool for Lessons/Fitness
5. Child Watch
6. Indoor Playground
7. Cardio Equipment / Free Weights
8. Group Exercise Room / Dance Studio
9. Bouldering / Climbing Wall
10. Maker Space / Arts & Crafts Room
11. Multi-use Activity Court
12. Meeting Rooms
13. Performing Arts Space (theater, music, video)
14. Senior Lounge
15. Indoor Synthetic Turf
16. Food prep / kitchen
17. E-sports / Gaming
18. Classroom

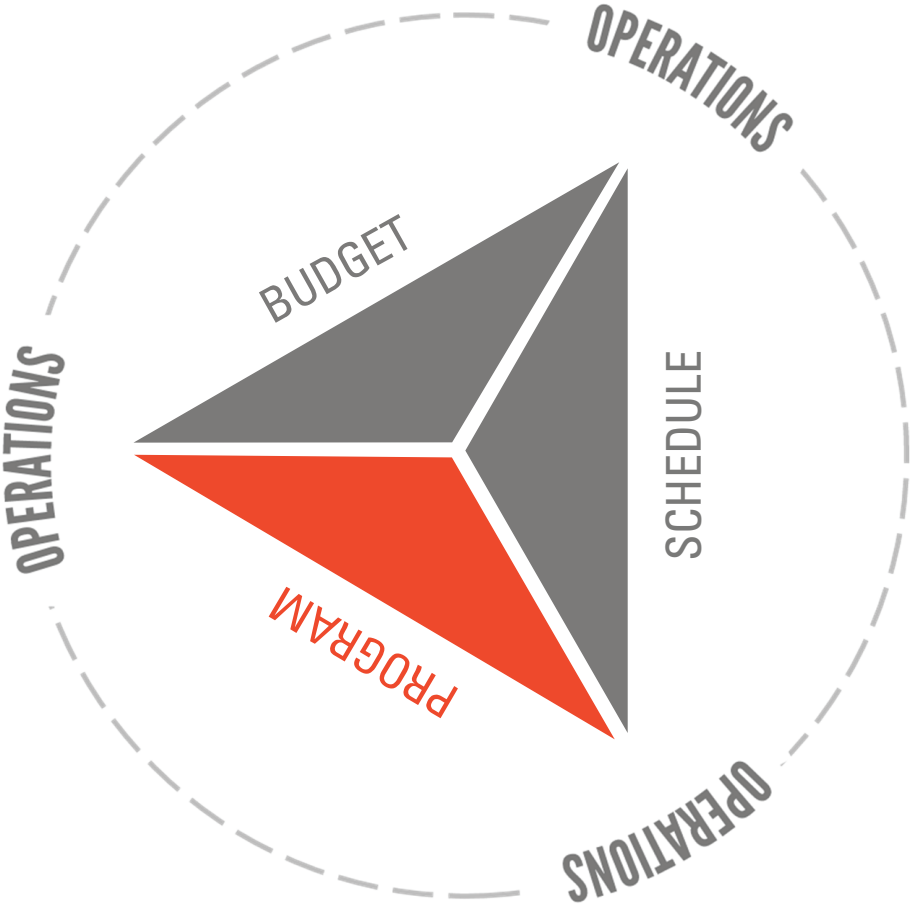
Key Findings

Providing Indoor Recreation is Very Important – 84% Agree

Respondents are Willing to Contribute to the Cost –
53% are Supportive of a Property Tax Increase
(with another 32% undecided)

Lockhart should renovate the movie theater AND build a new recreation center – 64% Agree

Respondents will get behind the things they believe will improve the community and will support it at a bond ballot.

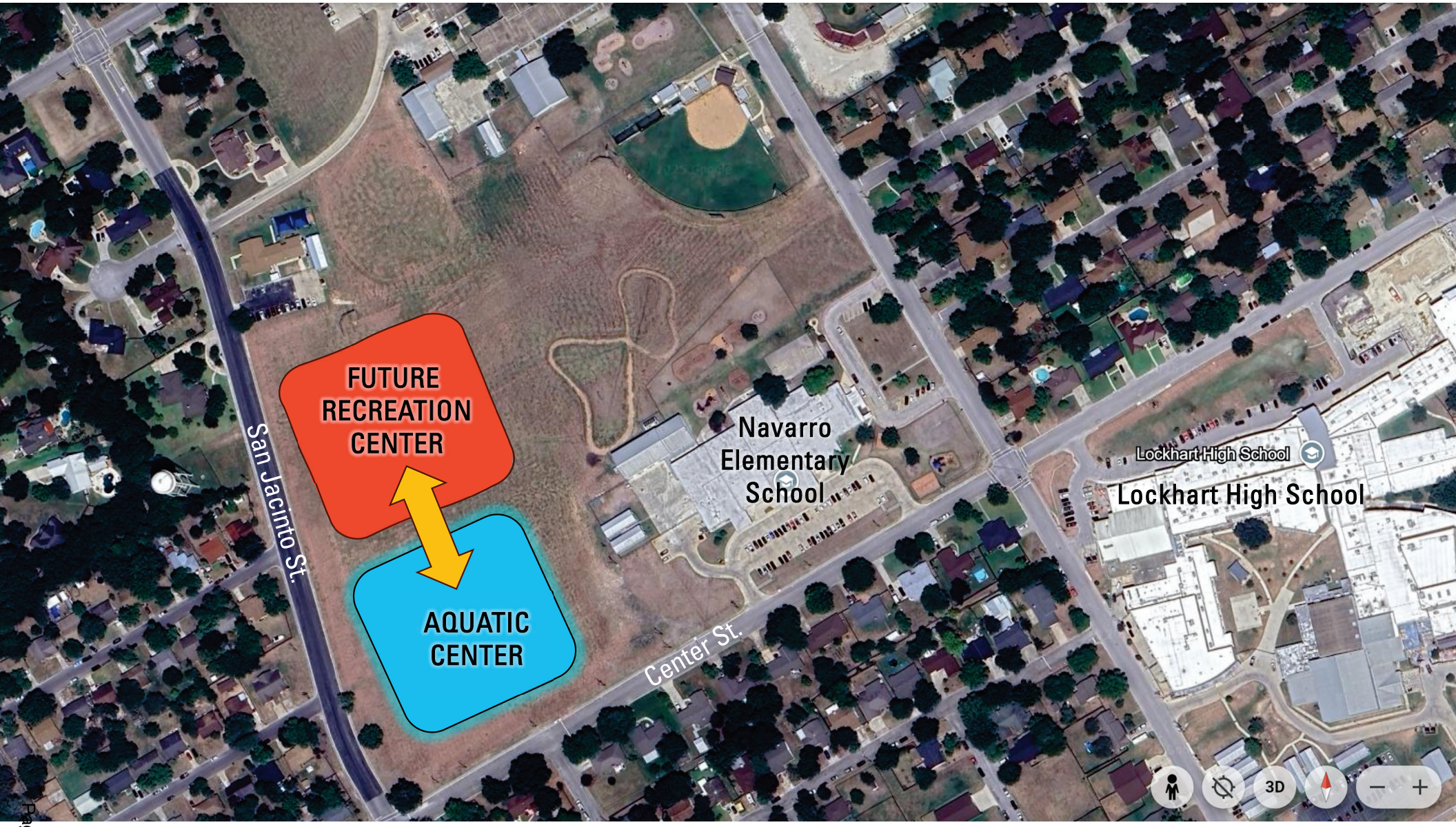

OPERATIONS
BUDGET
SCHEDULE
PROGRAM
OPERATIONS
OPERATIONS

PROGRAM

NEW AQUATIC CENTER



NEW REC CENTER


FUTURE RECREATION CENTER
AQUATIC CENTER
San Jacinto St.
Center St.
Navarro Elementary School
Lockhart High School
Lockhart High School
3D

BRS CARD GAME



BRS CARD GAME RESULTS BY PRIORITY

1. Gym G – Collegiate / 3 HS
2. Child Watch
3. Early Learning Room
4. Radio & Podcast Studio
5. Adventure / Hill Course Track
6. 8,000 SF Fitness & Weights
7. MAC A – Multi Activity Court
8. Party Room (x2)
9. Food & Beverage
10. Merchandise Sales
11. Multi-generational Games Lounge
12. 15-20 Person Aerobics/Dance Studio
13. 30-35 Person Aerobics/Dance Studio
14. 16-20 Person Spinning Studio
15. 300 Person Community / Events Hall
16. Catering Kitchen
17. 6-Lane x 25-Yard Pool
18. Therapy Pool
19. Small Indoor Turf Training Area
20. Senior Adult Lounge
21. Wet Arts & Crafts Room
22. Esports Gaming Room
23. 80 Person Classroom
24. 4,500 Recreation Activity Pool
25. Maker Spaces
26. Art Display / Gallery
27. Water Slide
28. Video Gaming
29. Outdoor Patio / Gathering Space
30. Dry Sauna
31. Bouldering Wall
32. Outdoor Playground

RECOMMENDED SYSTEMWIDE SYNTHESIZED PROGRAM

1. Gym G – Collegiate / 3 HS
2. Child Watch
3. Adventure / Hill Course Track
4. 8,000 SF Fitness & Weights
5. MAC A – Multi Activity Court
6. 15-20 Person Aerobics/Dance Studio
7. 30-35 Person Aerobics/Dance Studio
8. 6-Lane x 25-Yard Pool
9. Early Learning Room
10. Radio & Podcast Studio
11. 4,500 Recreation Activity Pool
12. Party Room (x2)
13. 300 Person Community / Events Hall
14. Food & Beverage
15. Merchandise Sales
16. Multi-generational Games Lounge
17. Wet Arts & Crafts Room
18. Catering Kitchen
19. 16-20 Person Spinning Studio
20. Small Indoor Turf Training Area
21. Senior Adult Lounge
22. Maker Spaces
23. Therapy Pool
24. Esports Gaming Room
25. Indoor Playground
26. Bouldering Wall
27. 80 Person Classroom
28. Art Display / Gallery
29. Water Slide
30. Video Gaming
31. Performing arts space (theater, music, video)
32. Outdoor Patio / Gathering Space
33. Dry Sauna
34. Outdoor Playground

RECOMMENDED SYSTEMWIDE SYNTHESIZED PROGRAM

1. Gym G – Collegiate / 3 HS
2. Child Watch
3. Adventure / Hill Course Track
4. 8,000 SF Fitness & Weights
5. MAC A – Multi Activity Court
6. 15-20 Person Aerobics/Dance Studio
7. 30-35 Person Aerobics/Dance Studio
8. 6-Lane x 25-Yard Pool
9. Early Learning Room
10. Radio & Podcast Studio
11. 4,500 Recreation Activity Pool
12. Party Room (x2)
13. 300 Person Community / Events Hall
14. Food & Beverage
15. Merchandise Sales
16. Multi-generational Games Lounge
17. Wet Arts & Crafts Room
18. Catering Kitchen
19. 16-20 Person Spinning Studio
20. Small Indoor Turf Training Area
21. Senior Adult Lounge
22. Maker Spaces
23. Therapy Pool
24. Esports Gaming Room
25. Indoor Playground
26. Bouldering Wall
27. 80 Person Classroom
28. Art Display / Gallery
29. Water Slide
30. Video Gaming
31. Performing arts space (theater, music, video)
32. Outdoor Patio / Gathering Space
33. Dry Sauna
34. Outdoor Playground



BARKER
RINKER
SEACAT
ARCHITECTURE

Future Recreation Center Full Meal Deal



Building Size: 130,000 GSF
Estimated Cost: $93 M

450 req'd parking spaces

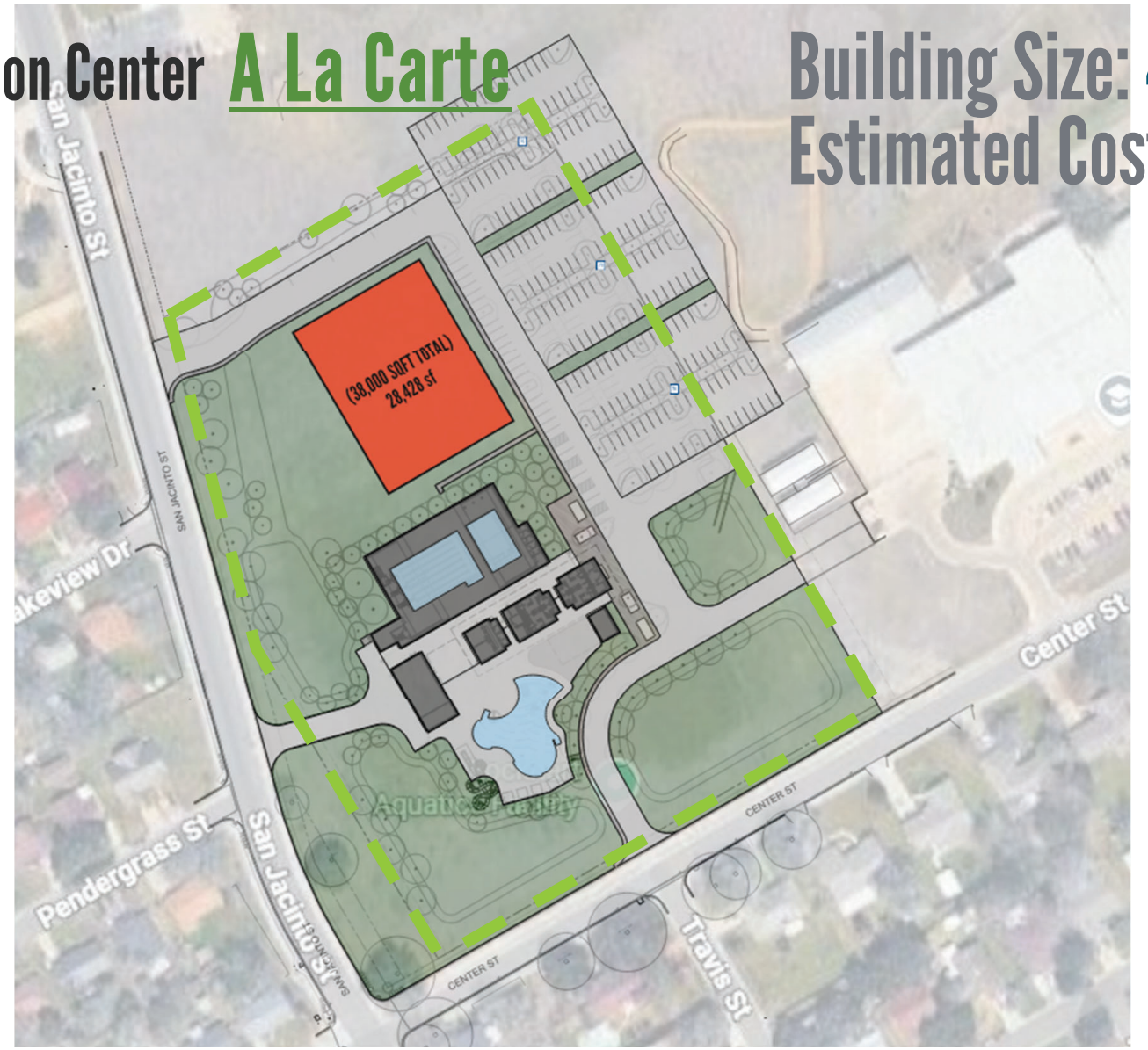
Future Recreation Center A La Carte

Building Size: 40,000 GSF
Estimated Cost: $22 M

1. ~~Gym G – Collegiate / 3 HS~~ Gym – 1 HS/2MS
2. Child Watch
3. ~~Adventure / Hill Course Track~~ Walk/Jog Track
4. ~~8,000~~ 4,000 SF Fitness & Weights
5. ~~MAC A – Multi Activity Court~~
6. ~~15-20 Person Aerobics/Dance Studio~~
7. 30-35 Person Aerobics/Dance Studio
8. ~~6 Lane x 25 Yard Pool~~
9. ~~Early Learning Room~~
10. ~~Radio & Podcast Studio~~
11. ~~4,500 Recreation Activity Pool~~
12. ~~Party Room (x2)~~
13. ~~300 Person Community / Events Hall~~
14. Food & Beverage
15. Merchandise Sales
16. ~~Multi-generational Games Lounge~~
17. ~~Wet Arts & Crafts Room~~
18. Catering Kitchen
19. ~~16-20 Person Spinning Studio~~
20. ~~Small Indoor Turf Training Area~~
21. ~~Senior Adult Lounge~~
22. ~~Maker Spaces~~
23. ~~Therapy Pool~~
24. ~~Esports Gaming Room~~
25. ~~Indoor Playground~~
26. ~~Bouldering Wall~~
27. 80 Person Classroom
28. Art Display / Gallery
29. ~~Water Slide~~
30. ~~Video Gaming~~
31. ~~Performing arts space (theater, music, video)~~
32. ~~Outdoor Patio / Gathering Space~~
33. ~~Dry Sauna~~
34. Outdoor Playground

Future Recreation Center A La Carte

Building Size: 40,000 GSF
Estimated Cost: $22 M



Future Recreation Center Lunchable

Building Size: 40,000 GSF
Estimated Cost: $22 M

PHASE 1

Gym – 1 HS/2MS
On-grade Walk/Jog Track
2,000 SF Fitness & Weights
50-Person Classroom

Building Size: 20,000 GSF
Estimated Cost: $11.4 M

Future Recreation Center Lunchable

Building Size: 40,000 GSF
Estimated Cost: $22 M

PHASE 1

Gym – 1 HS/2MS
On-grade Walk/Jog Track
2,000 SF Fitness & Weights
50-Person Classroom

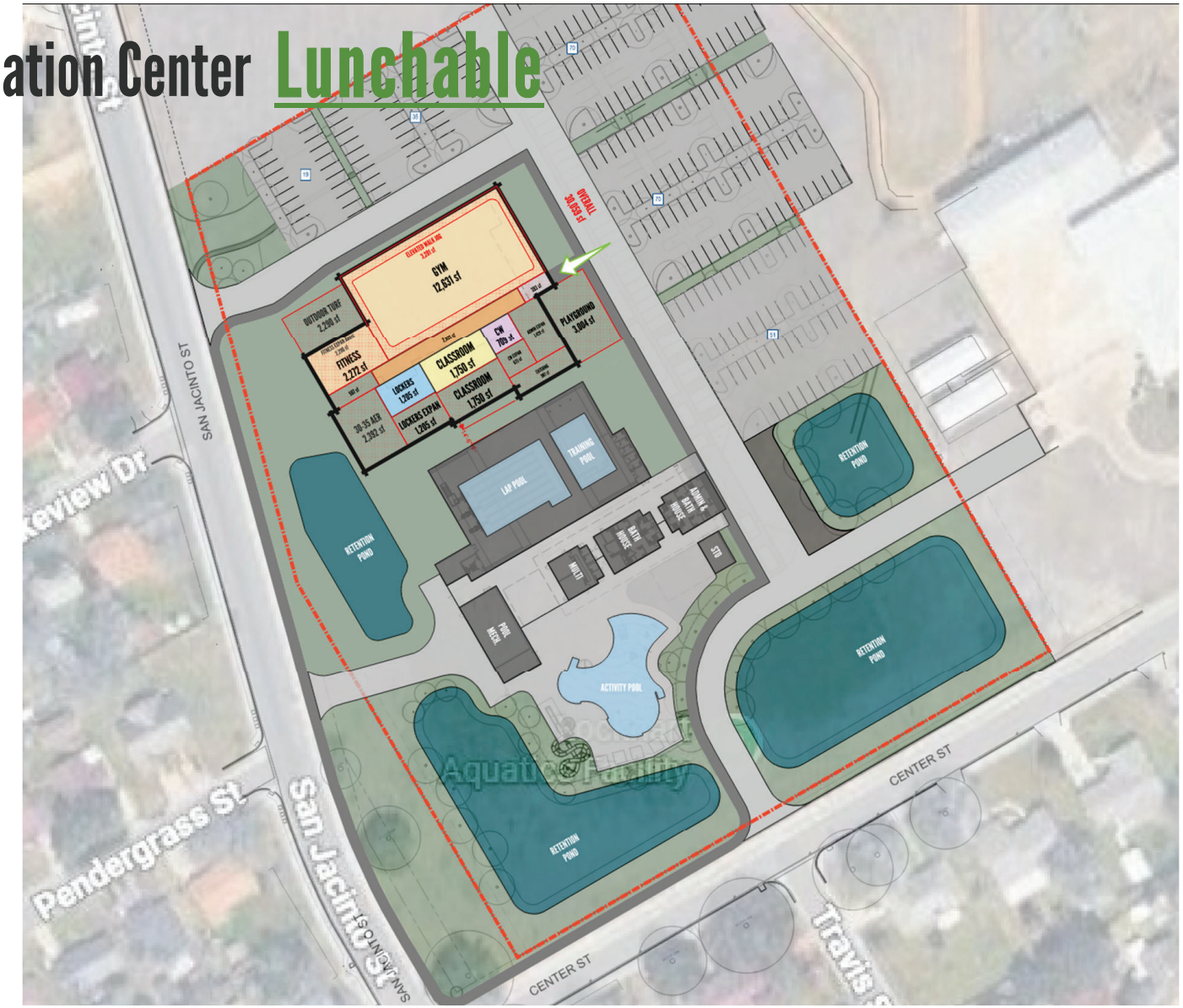
Building Size: 20,000 GSF
Estimated Cost: $11.4 M

PHASE 2

Child Watch
Elevated Walk/Jog Track
2,000 SF Fitness & Weights
30-35 Person Aerobics/Dance Studio
Radio & Podcast Studio
Food & Beverage
Merchandise Sales
Catering Kitchen
50-Person Classroom
Art Display / Gallery
Outdoor Playground

Building Size: 20,000 GSF
Estimated Cost: $10.0 M

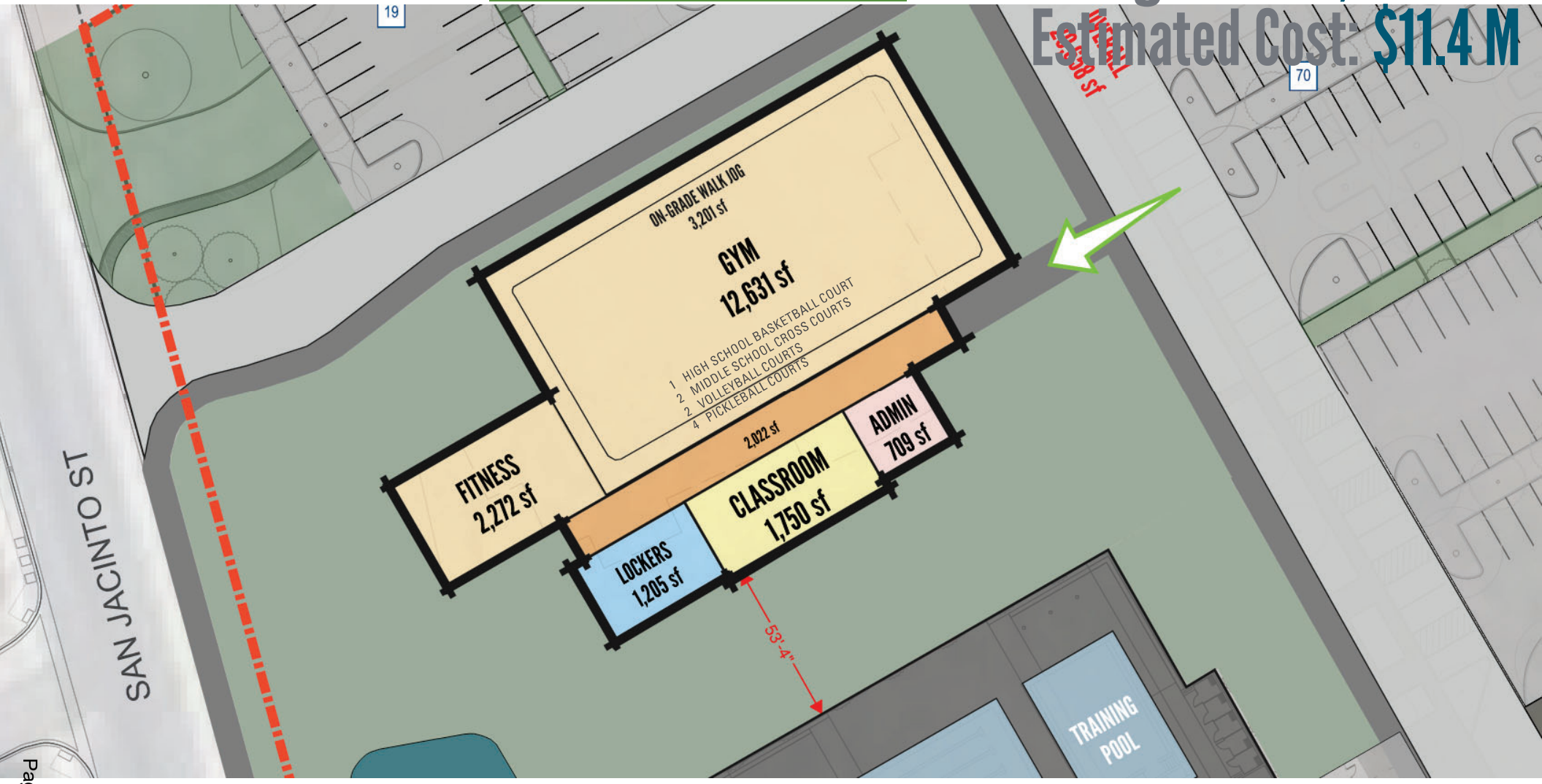
Future Recreation Center Lunchable



Future Recreation Center Lunchable Phase 1

Building Size: 20,000 GSF

Estimated Cost: $11.4 M



Future Recreation Center Lunchable Phase 2

Building Size: 20,000 GSF

Estimated Cost: $10.0 M



PHASE 1



PHASE 1



PHASE 1



PHASE 2



PHASE 2



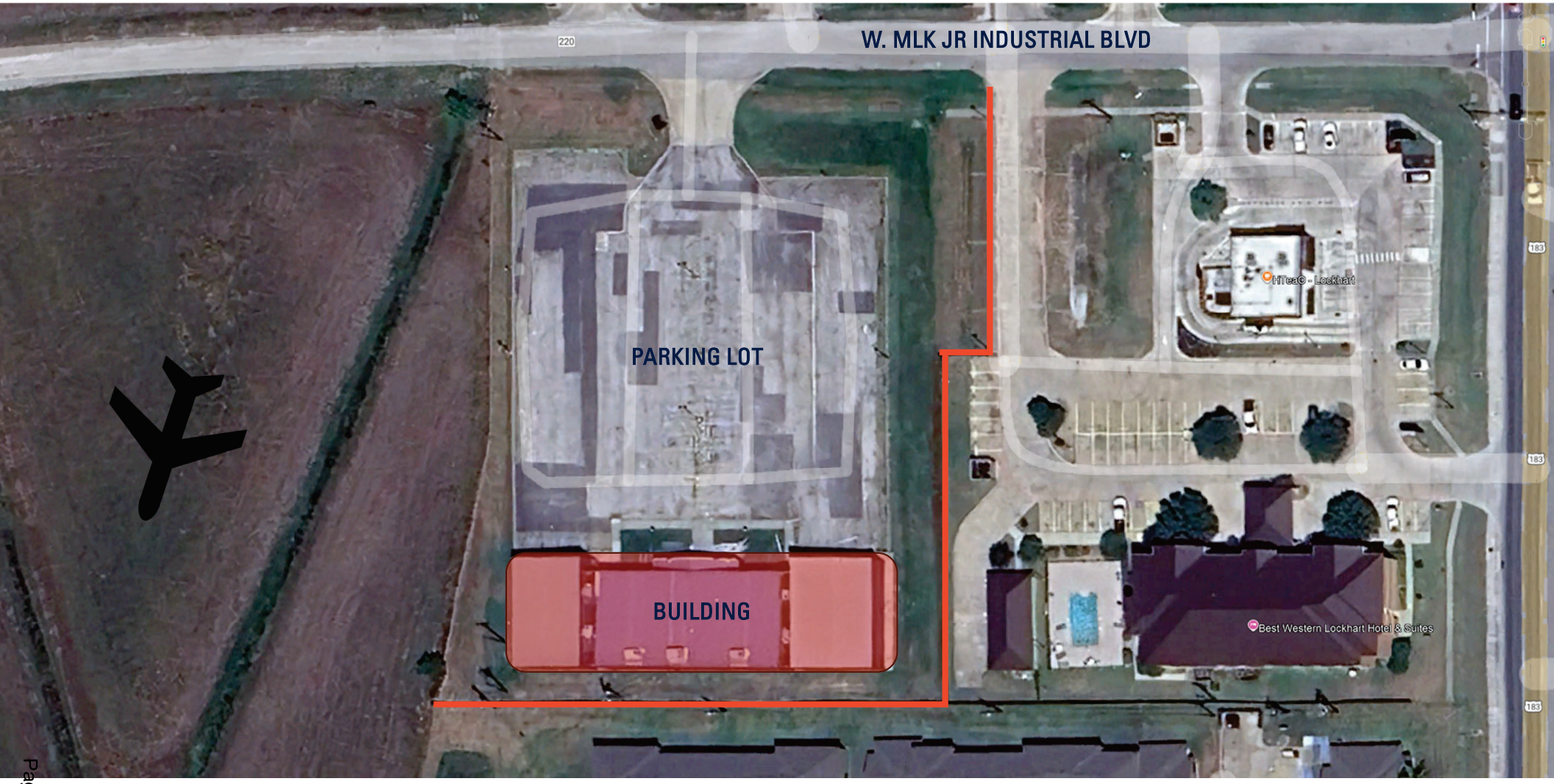
PHASE 2



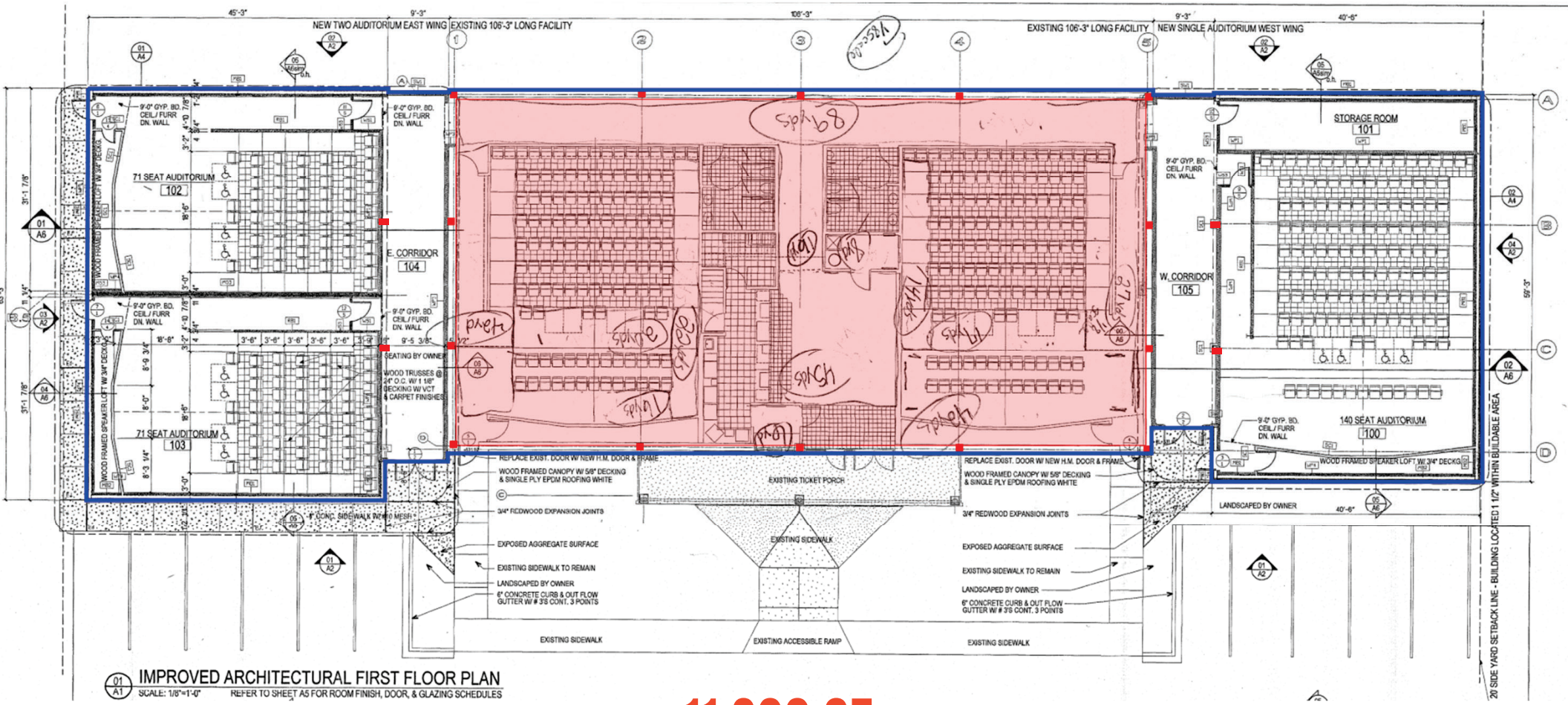



THEATER REC CENTER
BARKER
RINKER
SEACAT
ARCHITECTURE

EXISTING SITE



EXISTING BUILDING



01 IMPROVED ARCHITECTURAL FIRST FLOOR PLAN
SCALE: 1/8"=1'-0" REFER TO SHEET A5 FOR ROOM FINISH, DOOR, & GLAZING SCHEDULES

11,800 SF

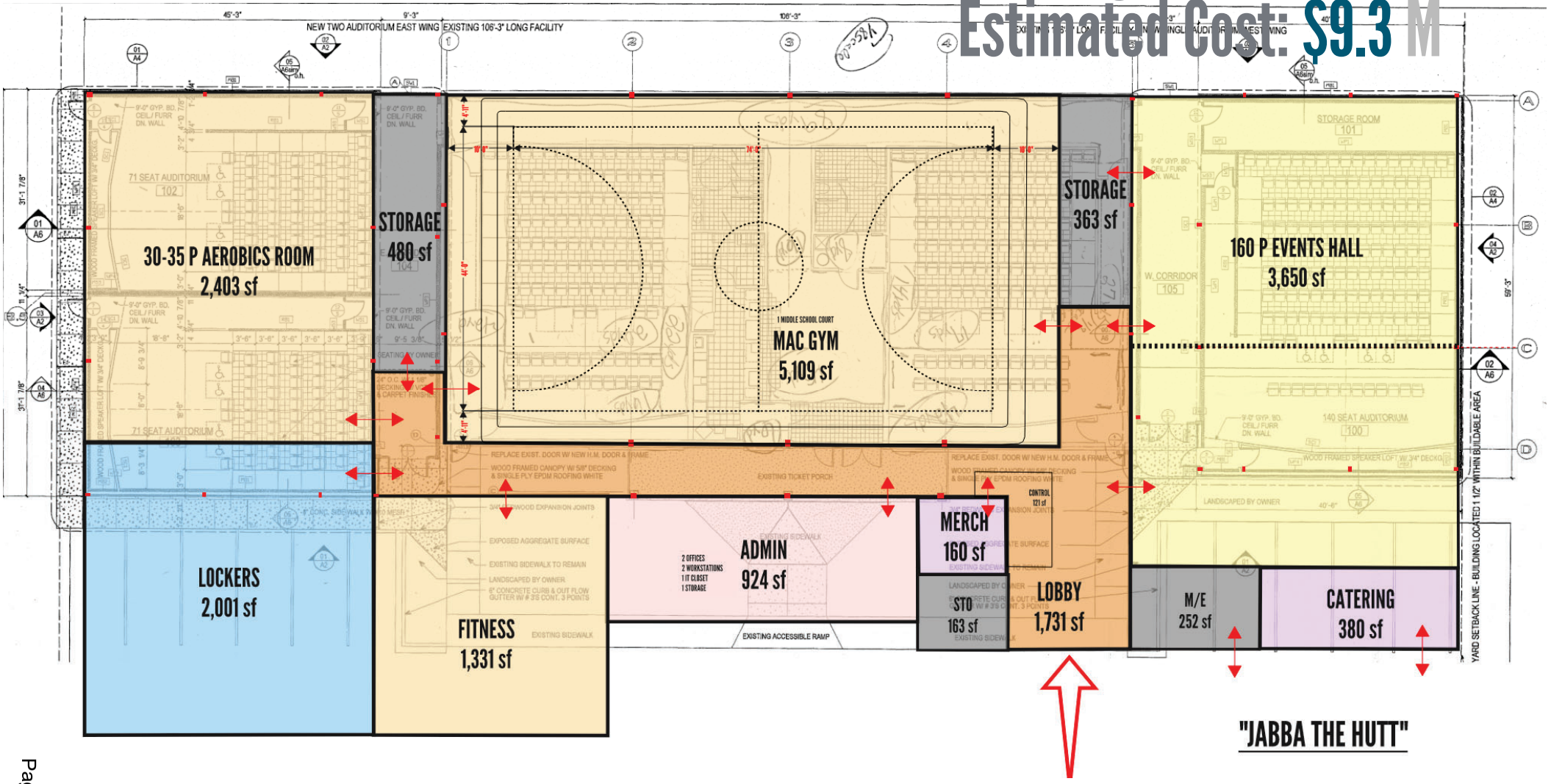
Theater Recreation Center Jabba the Hutt

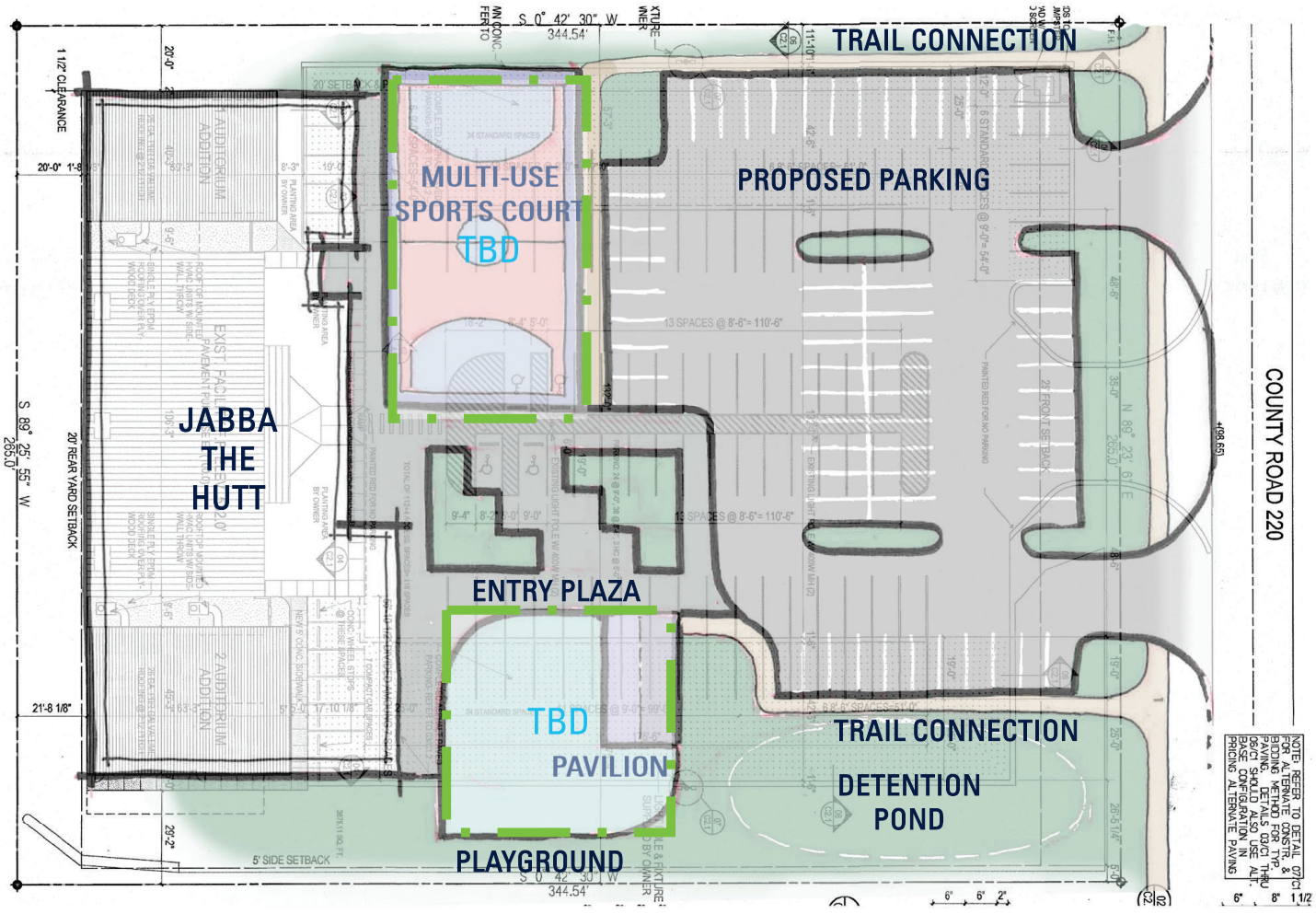
Building Size: 19,000 GSF
Estimated Cost: $9.3 M
Addition: + 6,200 GSF

1. ~~Gym G – Collegiate / 3 HS~~
2. ~~Child Watch~~
3. ~~Adventure / Hill Course Track~~ On-grade Track
4. ~~8,000~~ 1,500 SF Fitness & Weights
5. MAC A – Multi Activity Court
6. ~~15-20 Person Aerobics/Dance Studio~~
7. 30-35 Person Aerobics/Dance Studio
8. ~~6-Lane x 25-Yard Pool~~
9. ~~Early Learning Room~~
10. ~~Radio & Podcast Studio~~
11. ~~4,500 Recreation Activity Pool~~
12. ~~Party Room (x2)~~
13. ~~300~~ 160 Person Community / Events Hall
14. Food & Beverage
15. Merchandise Sales
16. ~~Multi-generational Games Lounge~~
17. ~~Wet Arts & Crafts Room~~
18. Catering Kitchen
19. ~~16-20 Person Spinning Studio~~
20. ~~Small Indoor Turf Training Area~~
21. ~~Senior Activity Space~~
22. ~~Maker Spaces~~
23. ~~Therapy Pool~~
24. ~~Esports Gaming Room~~
25. ~~Indoor Playground~~
26. ~~Bouldering Wall~~
27. ~~80 Person Classroom~~
28. ~~Art Display / Gallery~~
29. ~~Water Slide~~
30. ~~Video Gaming~~
31. ~~Performing arts space (theater, music, video)~~
32. ~~Outdoor Patio / Gathering Space~~
33. ~~Dry Sauna~~
34. ~~Outdoor Playground~~

Theater Recreation Center Jabba the Hutt

Building Size: 19,000 GSF
Estimated Cost: $9.3 M





- 64 proposed parking spaces
- Entry Plaza
- Connection to future City-wide trail network
- Optional future additions:
  - Playground
  - Pavilion
  - Hard Court

LOCKHART - JABBA THE HUTT - PRELIMINARY CONCEPTUAL SITE PLAN

halff

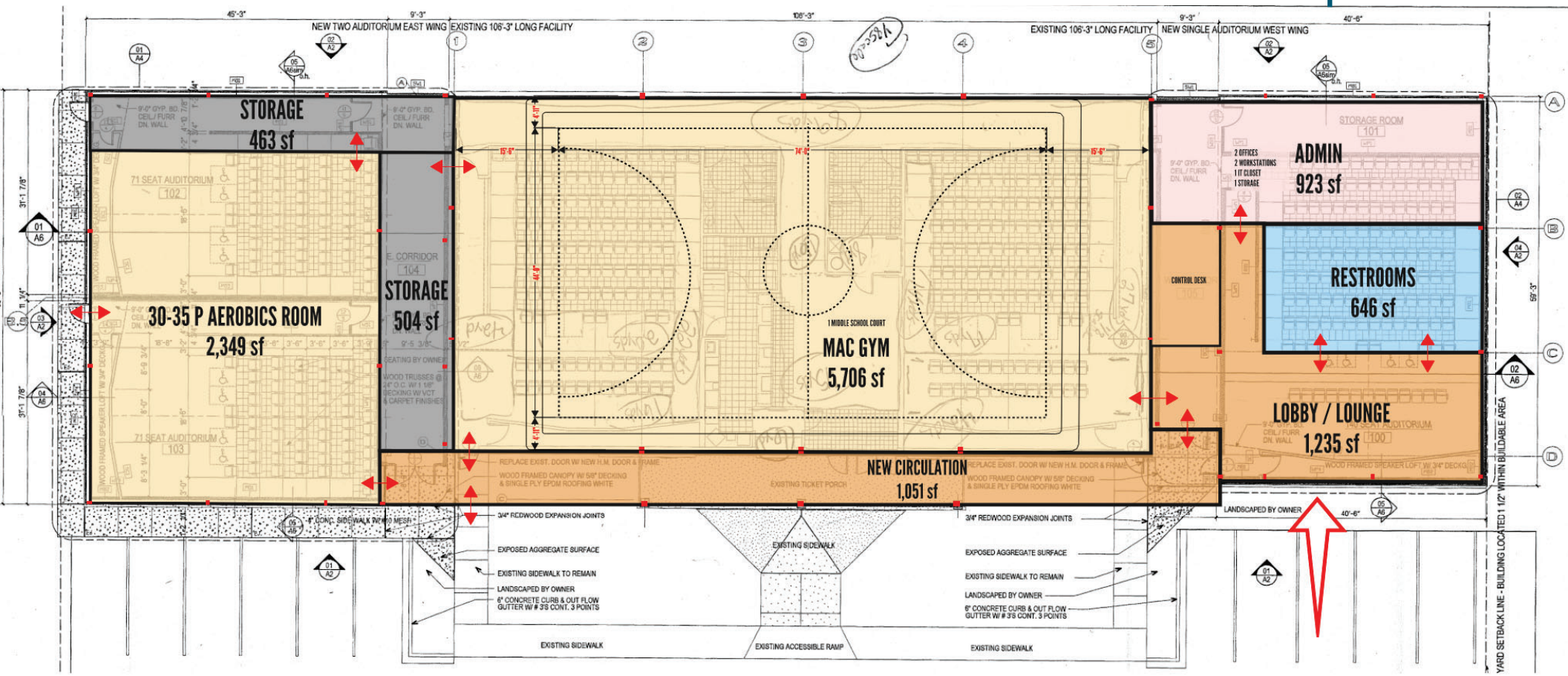
Theater Recreation Center C-3PO

Building Size: 10,500 GSF
Estimated Cost: $3.9 M

1. On-Grade Track
2. MAC A – Multi Activity Court
3. 30-35 Person Group Fitness Studio

Theater Recreation Center C-3PO

Building Size: 10,500 GSF
Estimated Cost: $3.9 M



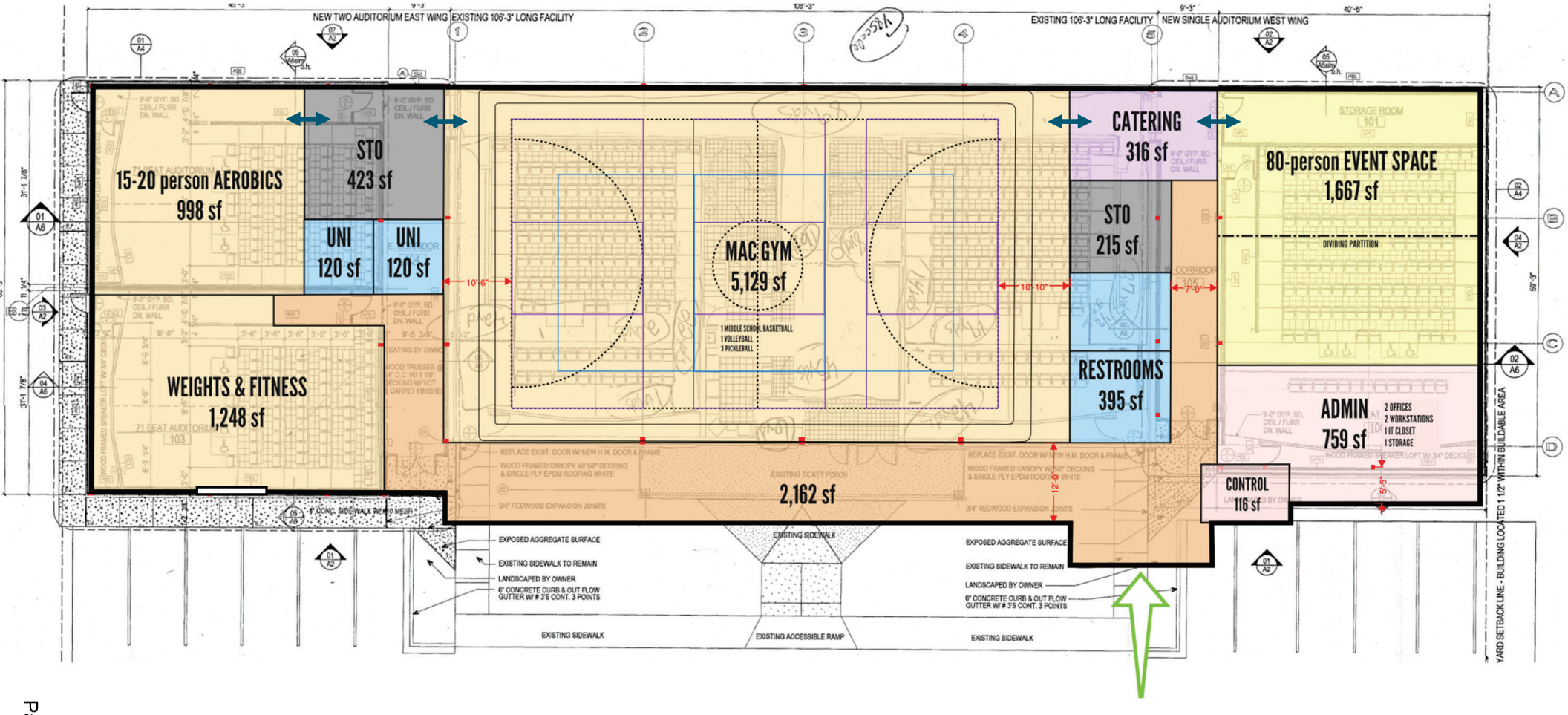
Theater Recreation Center Luke Skywalker

Building Size: 13,800 GSF
Estimated Cost: $5.3 M
Addition: + 2,000 GSF

1. On Grade Walk/Jog Track
2. 1,500 SF Fitness & Weights
3. MAC A – Multi Activity Court
4. 15-20 Person Group Fitness Studio
5. 80-Person Event Space / Classroom
6. Catering Kitchen

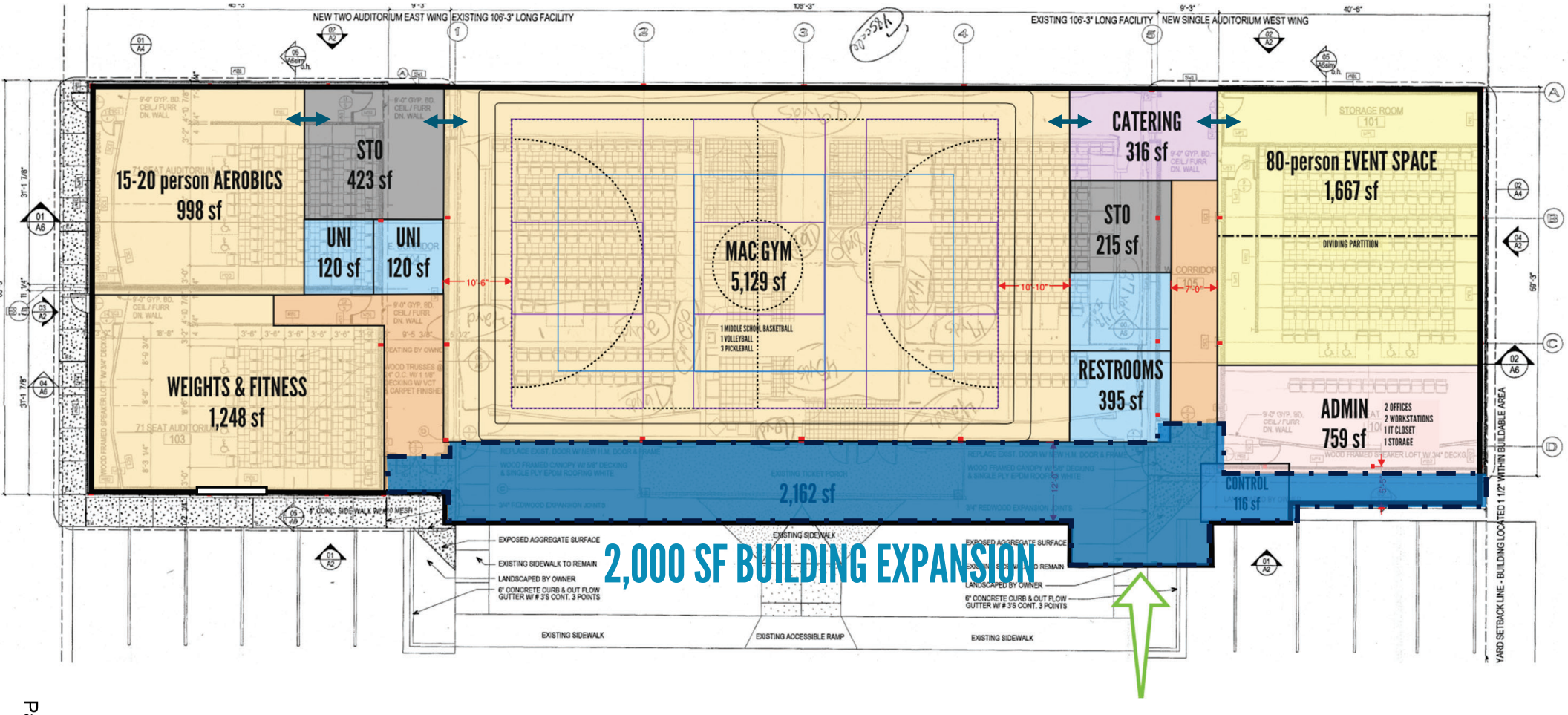
Theater Recreation Center Luke Skywalker

Building Size: 13,800 GSF
Estimated Cost: $5.3 M



Theater Recreation Center Luke Skywalker

Building Size: 13,800 GSF
Estimated Cost: $5.3 M



MAC GYM



FITNESS & WEIGHTS



GROUP FITNESS STUDIO



50-PERSON CLASSROOM



CATERING KITCHEN





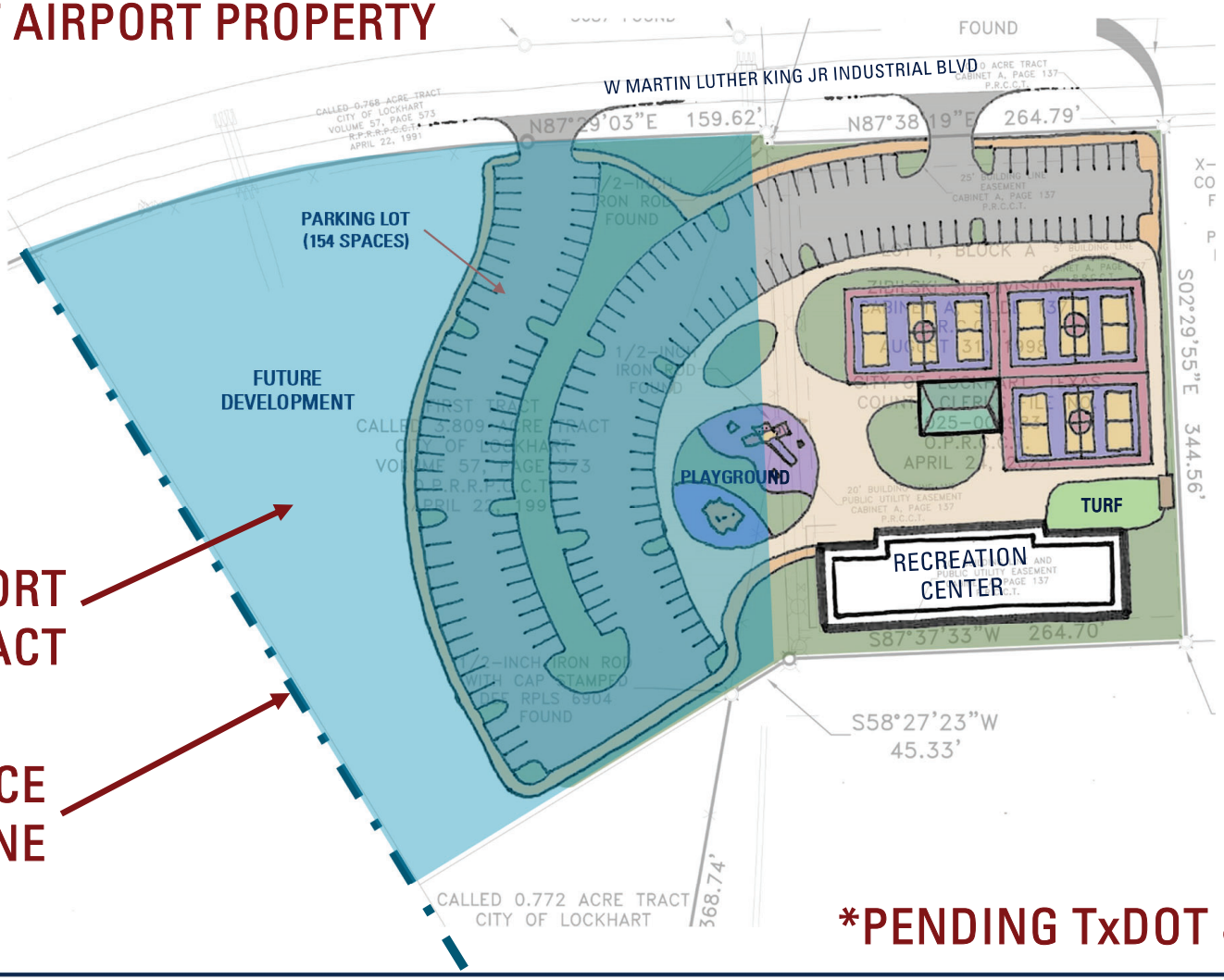
BARKER
RINKER
SEACAT
ARCHITECTURE

Existing Building & Parking



BARKER RINKER SEACAT ARCHITECTURE

ADJACENT AIRPORT PROPERTY



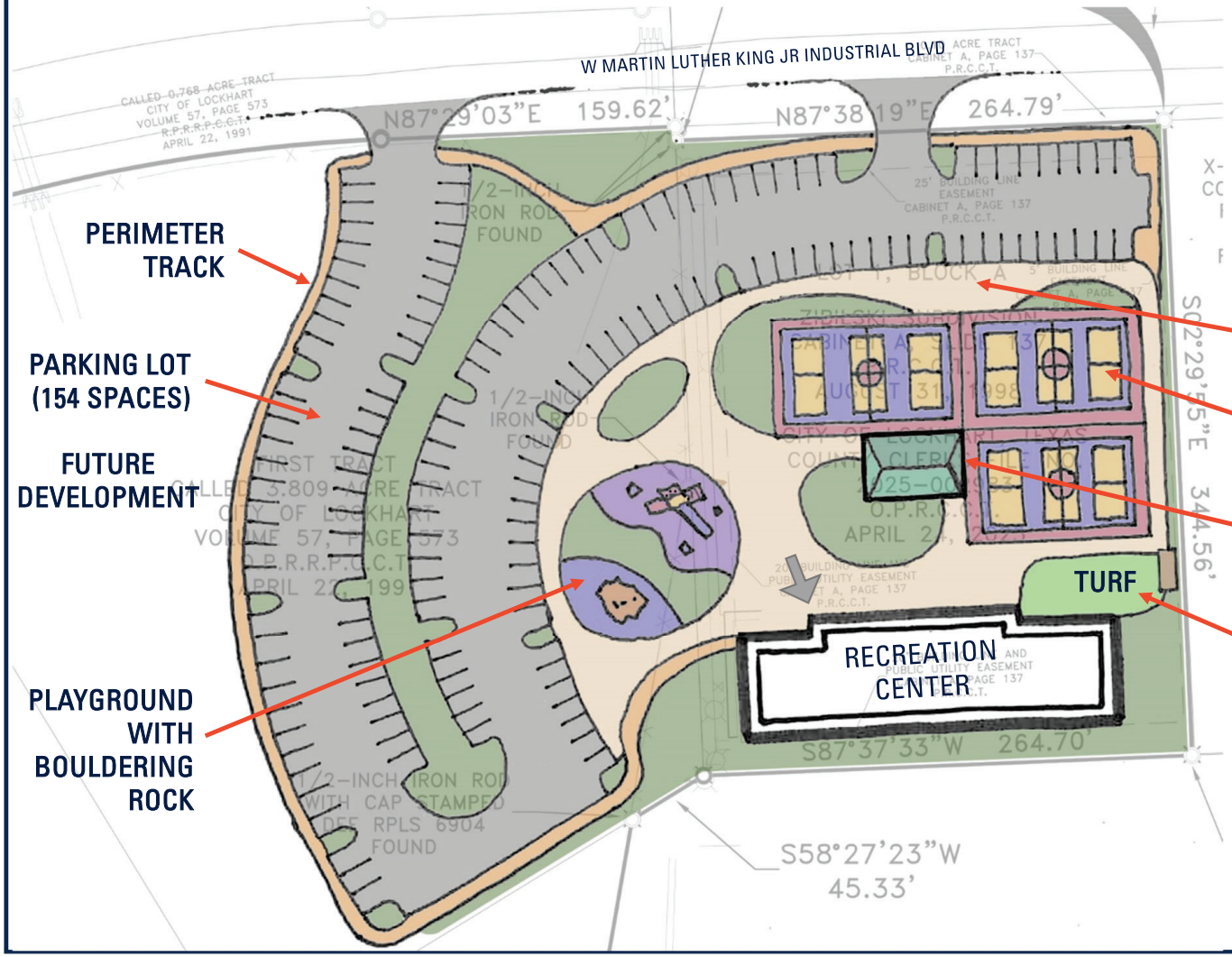
AIRPORT TRACT

NEW FENCE LINE

*PENDING TxDOT & FAA APPROVAL

THEATER RECREATION CENTER - CONCEPTUAL SITE PLAN

halff



- Fencing proposed around each basketball court
- Shade structures proposed in high use areas
- Speakers proposed in shade structures
- Mist fans proposed in rest areas
- Court Lighting for night use

GATHERING SPACE / FOOD TRUCK DINING AREA

PICKLEBALL COURTS (9) BASKETBALL COURTS (3)

CONCESSIONS PAVILION / CONTROL AREA

INDOOR/OUTDOOR GYM CONNECTION WITH SYNTHETIC TURF & STORAGE

THEATER RECREATION CENTER - CONCEPTUAL SITE PLAN

halff

OUTDOOR COURTS



PAVILION



INDOOR/OUTDOOR FITNESS



OUTDOOR TURF WITH STORAGE



PLAYGROUND

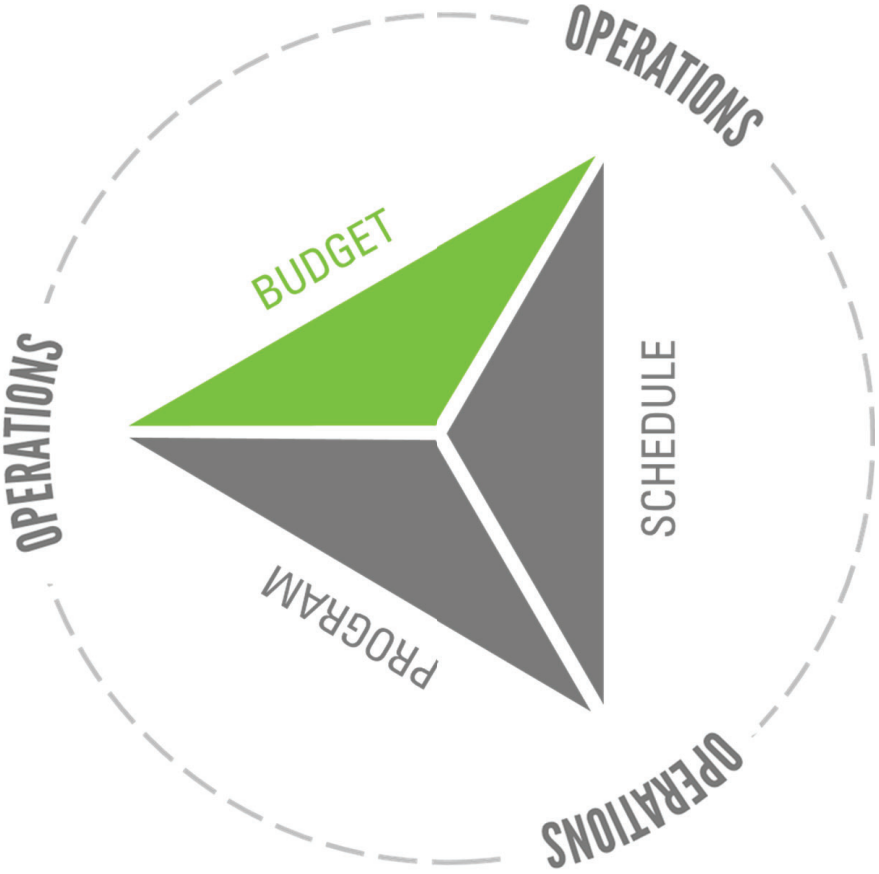


BOULDERING ROCK



FOOD TRUCKS


Lil' Orbits
MINI DONUTS
SnoBall Shack
WE CATER, FUNDRAISERS, CARNIVALS, SCHOOL EVENTS
303-515-1660
WWW.THESNOBALLSHACK.COM


OPERATIONS
BUDGET
SCHEDULE
PROGRAM
OPERATIONS
OPERATIONS

BUDGET

Theater Recreation Center

Summary of Probable Costs

OPTION	TOTAL GSF	CONSTRUCTION BUDGET	SITE BUDGET	SOFT COSTS	TOTAL PROJECT BUDGET
A – Jabba the Hutt	19,000 SF	$6.5 M	$600k	$2.2 M	$9.3 M
B – C3P0	12,800 SF	$2.9 M	$250k	$750k	$3.9 M
C – Luke Skywalker	13,800 SF	$3.8 M	$5.3 M	$2.7 M	$11.8 M

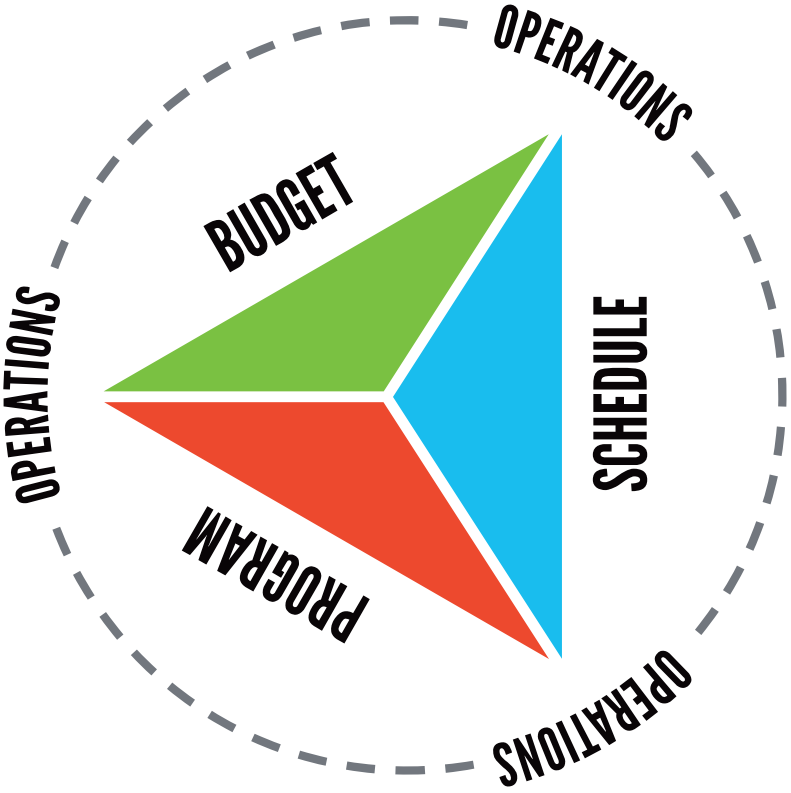
Notes:
Prices include escalation to August 2027, the mid-point of construction.
Soft costs include design fees, FF&E, fitness equipment, 5% contingency, etc.

Future Recreation Center

Summary of Probable Costs

OPTION	TOTAL GSF	CONSTRUCTION BUDGET	SITE BUDGET	SOFT COSTS	TOTAL PROJECT BUDGET
A – Full Meal Deal	130,000 SF	$64 M	$6.5 M	$22.5 M	$93 M
B – A La Carte	40,000 SF	$15 M	$1.5 M	$5.4 M	$22 M
C – Lunchable Phase 1	20,000 SF	$8.6 M	$650k	$2.2 M	$11.4 M
Phase 2 (future)	20,000 SF	$7.0 M	$650k	$1.9 M	$10 M

Notes:
Prices include escalation to December 2027, the mid-point of construction.
Soft costs include design fees, FF&E, fitness equipment, 5% contingency, etc.


OPERATIONS
BUDGET
SCHEDULE
PROGRAM
OPERATIONS
OPERATIONS

OPERATIONS

INNOVATION

MAXIMIZING PARTICIPATION

OPERATIONS

DOING THE MOST WITH THE LEAST

PERFORMANCE

ACCOUNTABILITY

Considerations & implications

- **Market** – what does Lockhart offer and where are the gaps in service
- **Program** – what spaces are in the building and what do they require
- **Cost Recovery Goals** – how much should the facility be subsidized and what are the revenue goals
- **Participation Model** – how to maximize membership & overall use
- **Operational Efficiency** – how to minimize operating costs with efficient design (sight lines, supervision)

Expenses vs. Revenue – Luke Skywalker

Expenses	
Personnel*	$258,000
Commodities	$19,000
Contractual	$82,000
Replacement	$14,000
Total	**$373,000**

*Assumes 2 Full-time Staff and add'l part-time staff.

Revenue	
Adm./Member**	$36,000
Programs	$74,000
Rentals/Other	$45,000
Total	**$155,000**

Cost Recovery	41.6%

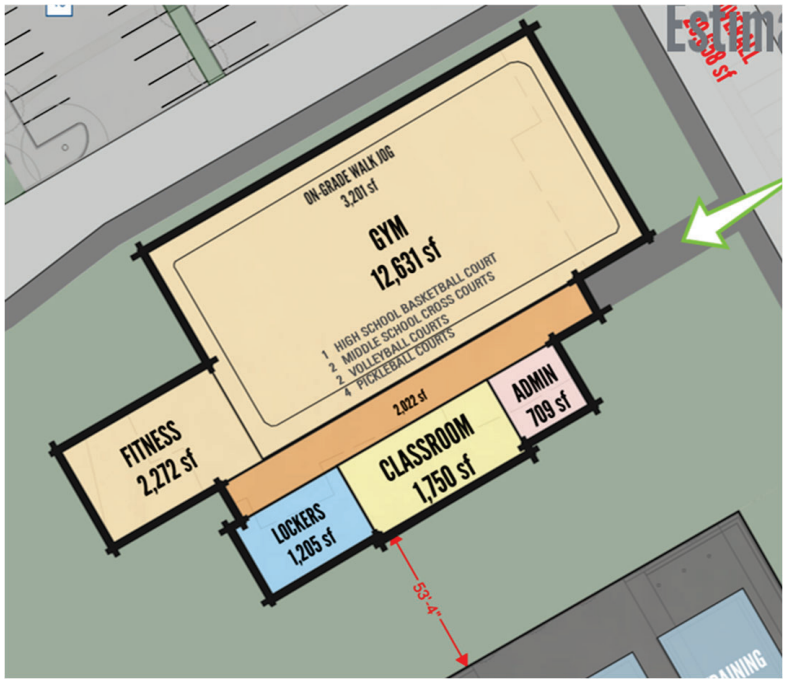
** Assumes membership rate for a resident adult at $96/yr.

Notes:
Expenses/Revenue above are for indoor recreation only and do NOT include expenses/revenue related to the outdoor site amenities.
Operating Hours: 74 hours per week

SUMMARY

SUMMARY OF RECOMMENDATIONS
DISCUSSION

$11.0-11.5 M to build Phase 1 next to the Aquatics Site
Estimated Opening: end of 2028



$11.5-12M to renovate the existing Movie Theater
Estimated Opening: early 2028



NEXT STEPS

1. Commit to one of the options presented

2. BRS & team will develop a proposal for full design using the selected construction budget

3. Develop a detailed design & construction schedule


THANK YOU!
BARKER
RINKER
SEACAT
ARCHITECTURE