

PUBLIC NOTICE

AGENDA

LOCKHART CITY COUNCIL

TUESDAY, MARCH 3, 2020

**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 issue discussed or reviewed during the work session.

DISCUSSION ONLY

- A. Presentation and discussion of the City of Lockhart's and Lockhart Economic Development Corporation's Fiscal Year 2018-2019 Comprehensive Annual Finance report by Harrison, Waldrop & Uherek, LLP. 4-169
- B. Discuss minutes of the City Council meeting of February 18, 2020. 170-174
- C. Discuss Resolution 2020-09 in support of the 2020 U.S. Census. 175-176
- D. Discuss Resolution 2020-08 on an agreement with LCRA and McCoy Tree Surgery for tree trimming in the right-of-way and utility easements and Budget Amendment #42 increasing expenditures in the Electric Fund by \$100,000. 177-183
- E. Discuss Budget Amendment #43 in the amount of \$207,061.73 for Supervisory Control and Data Acquisition (SCADA) improvements at the Water Treatment Plant and water wells to be executed by Guadalupe-Blanco River Authority. 184-193
- F. Discuss bid to WestStar Construction of Georgetown, Texas in the amount of \$213,245.50 for the construction of the Town Branch Trail Phase I consisting of approximately 2,100 feet of 10-foot wide concrete trails. 194-198
- G. Discuss City Line Road Booster Station Change Order No. 1 to TTE, LLC of Spicewood Springs, Texas in the amount of \$7,370 increasing the contract amount to \$1,032,370 for additional improvements to the Maple Street Elevated Tank discovered during renovation of the tank and appointing the Mayor to sign all contractual documents. 199-205
- H. Discuss submission of an Assistance to Firefighters Grant (AFG) application to the Federal Emergency Management Agency (FEMA) and authorizing the Mayor to act as the City's executive officer and authorized representative in all matters pertaining to the City's participation in the Assistance to Firefighters Grant Program. 206-208
- I. Discuss Resolution 2020-07 adopting Strategic Priorities for 2020-2021. 209-231

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.)

4. CONSENT AGENDA

- A. Accept the City of Lockhart's and Lockhart Economic Development Corporation's Fiscal Year 2018-2019 Comprehensive Annual Finance report by Harrison, Waldrop & Uherek, LLP. *4-169*
- B. Approve minutes of the City Council meeting of February 18, 2020. *170-174*
- C. Approve Resolution 2020-09 in support of the 2020 U.S. Census. *175-176*
- D. Approve Resolution 2020-08 on an agreement with LCRA and McCoy Tree Surgery for tree trimming in the right-of-way and utility easements and approve Budget Amendment #42 increasing expenditures in the Electric Fund by \$100,000. *177-183*
- E. Approve Budget Amendment #43 in the amount of \$207,061.73 for Supervisory Control and Data Acquisition (SCADA) improvements at the Water Treatment Plant and water wells to be executed by Guadalupe-Blanco River Authority. *184-193*
- F. Award bid to WestStar Construction of Georgetown, Texas in the amount of \$213,245.50 for the construction of the Town Branch Trail Phase I consisting of approximately 2,100 feet of 10-foot wide concrete trails. *194-198*
- G. Approve City Line Road Booster Station Change Order No. 1 to TTE, LLC of Spicewood Springs, Texas in the amount of \$7,370 increasing the contract amount to \$1,032,370 for additional improvements to the Maple Street Elevated Tank discovered during renovation of the tank and appointing the Mayor to sign all contractual documents. *199-205*
- H. Approve submission of an Assistance to Firefighters Grant (AFG) application to the Federal Emergency Management Agency (FEMA) and authorizing the Mayor to act as the City's executive officer and authorized representative in all matters pertaining to the City's participation in the Assistance to Firefighters Grant Program. *206-208*

5. **DISCUSSION/ACTION ITEMS**

A. Discussion and/or action to consider Resolution 2020-07 adopting Strategic Priorities for 2020-2021. 209-231

B. Discussion and/or action regarding appointments to various boards, commissions or committees. 232-249

6. **CITY MANAGER'S REPORT, PRESENTATION AND POSSIBLE DISCUSSION**

- GBRA's updates regarding the wastewater treatment facility permit renewals for the Larremore and FM 20 plants.
- The application for the transfer of water CCN from Polonia Water Supply Corporation to Lockhart was submitted to the Public Utility Commission on February 20th.
- Discussion of the February, 2020 Monthly Financial Report.

7. **COUNCIL AND STAFF COMMENTS – ITEMS OF COMMUNITY INTEREST**

(**Items of Community Interest defined below)

8. **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.**

A. Deliberate the sale of real property owned by the City.

9. **OPEN SESSION.**

A. Discussion and/or action regarding the possible sale of real property owned by the City.

10. **ADJOURNMENT**

*** Items of Community Interest includes: 1) expressions of thanks, congratulations or condolence; 2) information regarding holiday schedules; 3) an honorary or salutary recognition of a public official, public employee, or other citizen, except that a discussion regarding a change in the status of a person's public office or public employment is not an honorary or salutary recognition for purposes of this subdivision; 4) a reminder about an upcoming event organized or sponsored by the governing body; 5) information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official employee of the municipality; and 6) announcements involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda. (SB 1182 - effective 09/01/2009)*

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 25th day of February 2020 at 1:37pm.

City of Lockhart, Texas

Council Agenda Item Briefing Data

COUNCIL MEETING DATE: March 3, 2020

AGENDA ITEM CAPTION: Presentation and/or action for the City Council to consider acceptance of the City of Lockhart's and Lockhart Economic Development Corporation's Fiscal Year 2018-2019 Comprehensive Annual Finance Report by Harrison, Waldrop, & Uherek, LLP.

ORIGINATING DEPARTMENT AND CONTACT: Finance – Pam Larison

ACTION REQUESTED:

ORDINANCE RESOLUTION CHANGE ORDER AGREEMENT
 APPROVAL OF BID AWARD OF CONTRACT CONSENSUS OTHER

BACKGROUND/SUMMARY/DISCUSSION: According to the City 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.

The Comprehensive Annual Financial Report (CAFR) presented is the first CAFR for the City of Lockhart. The Government Finance Officers Association established this program in 1945 to encourage and assist local governments to go beyond the minimum requirements of generally accepted accounting principles (GAAP) to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure. A CAFR establishes credibility with the city's creditors and bond rating agencies.

A CAFR includes three sections: Introduction, Financial and Statistical. The most important element of the introduction is the Transmittal Letter from the City Manager. The transmittal letter 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 the financial reports are management's responsibility. The Financial Section includes all necessary financial information, narratives explaining financials, and an auditor's report. The Statistical Section outlines financial trends, revenue capacity, debt capacity, demographic information and other operating information about the local government.

The CAFR is presented with an Unqualified Opinion; or "Clean Opinion." An Unqualified Opinion is presumed to be free from material misstatements.

AMOUNT & SOURCE OF FUNDING:

Funds Required: 0
Account Number: n/a
Funds Available: n/a
Account Name: n/a

Finance Review initials



COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends acceptance of the FY 2018-2019 Audited Financial Statements.

LIST OF SUPPORTING DOCUMENTS: City of Lockhart, Texas Annual Financial Report from Harrison, Waldrop, and Uherek, LLP.

Department Head initials:

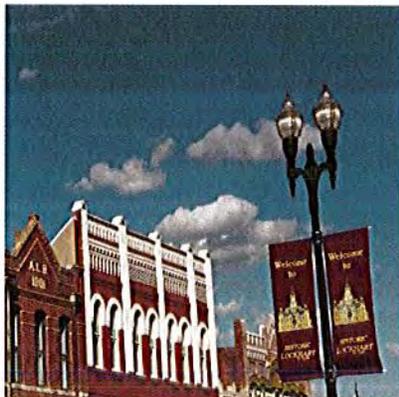
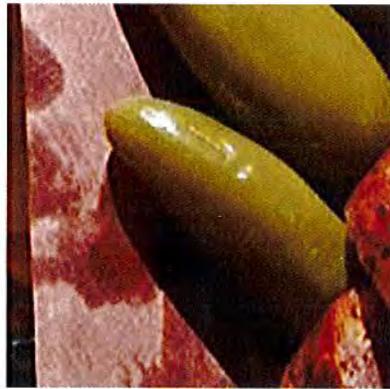
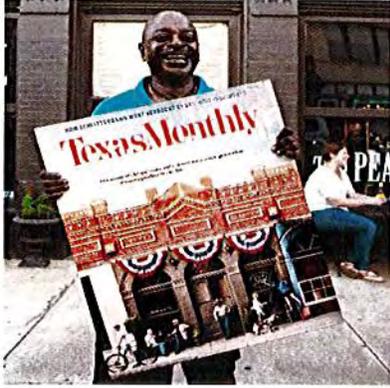


City Manager's Review:



Comprehensive Annual Financial Report City of Lockhart, Texas

Fiscal Year Ended September 30, 2019




Lockhart
The BBQ Capital of Texas

CITY OF LOCKHART, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended September 30, 2019

Issued By:
Finance Department

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INTRODUCTORY SECTION



March 3, 2020

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 Comprehensive Annual Financial Report (CAFR) of the City of Lockhart, Texas (the City) for the year ended September 30, 2019, 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 has 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 reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Harrison, Waldrop, and Uherek, L.L.P. has issued an unmodified ("clean") opinion on the City of Lockhart financial statements for the year ended September 30, 2019. The independent auditors' report is located at the front of the financial section of this report.

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

Profile of the Government

The City of Lockhart founded in 1826 and officially incorporated as a city in 1852. Located near 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 the US Census Bureau, the estimated population of the City of Lockhart is 13,925 as of July 1, 2017, 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. 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 13,900 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 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 Goal Workshop. Departments submit their annual departmental budget requests to the City Manager for review. A proposed budget is prepared for presentation to the City Council. The City Council reviews the budget in subsequent work sessions and a formal budget is prepared and made available to the public for review. Prior to official adoption of the budget by Council, any required public hearings on the proposed budget are held to allow for public input and any required notices are published in the City's newspaper of record.

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

FACTORS AFFECTING FINANCIAL CONDITION

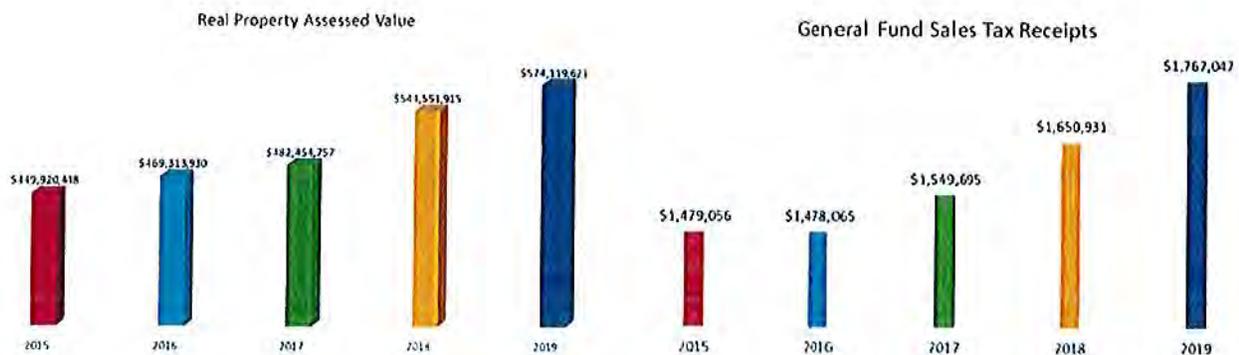
Local Economy

The City of Lockhart is the county seat for Caldwell County. With this designation comes commercial growth not typically seen for population of approximately 14,000 residents. Major industries located within the government's boundaries, or close proximately, include small and advanced manufacturing industries, information technology industries, retail and service industries, and agriculture. The school district has significant economic presence, employing in total more than 731 teachers, professionals, and support staff.

Although unemployment rates have declined nationwide over the last two years, the City of Lockhart continues to experience unemployment rates consistently lower than the national average. The unemployment rate for the City of Lockhart is 3.6% compared to 3.9% nationally and slightly higher than the 3.4% for the State of Texas.

Due to the healthy economy, the City of Lockhart has a credit rating of AA- from Standard and Poor's as of March 2016. Over the past 10 years, the City has experienced significant economic growth and investment. Commercial development in 2010 saw an influx of medical facilities such as Jacob Family Eye Care, Pinnacle Health, and additional Seton Health clinics and physician offices. In 2011 and 2012, the City of Lockhart began to see an increase in housing opportunities with Springfield Villas and an assisted care living facility with Golden Age Home. Lockhart had two new banking options by way of Randolph-Brooks Credit Union and Austin Telco Credit Union. Plum Creek Plaza Shopping Center saw a boost in retail stores such as Factory Connection and Hibbett's in 2013-2015. The City of Lockhart's major manufacturing industry witnessed new companies, Fashion Glass and Mirror, Pure Castings, and Hill Country Foodworks: all incentive projects of the Lockhart Economic Development Corporation. AT&T and Verizon vied for locations within the City between 2015-2017. Chain restaurants such as Taco Bell, Kentucky Fried Chicken, Little Caesar's, and Domino's Pizza filled up State highway 183 and the Woodland Properties and Lockhart Retail Center. The downtown did not go unnoticed; small retail shops and specialty restaurants filled up the courthouse square. Ending Fiscal Year 2019, the City of Lockhart has now enticed members of the technology industries with the likes of PromoGo, a promotional marketing and branding company and Visionary Fiber Technologies, the global leader in fiber reactor separation technology.

The City of Lockhart's sound financial position is apparent because of its conservative budgeting practices, as evident from its healthy fund balance numbers. The City experienced growth in assessed valuation of property taxes and collection of sales taxes from Fiscal Year 2015 through 2019 and continues to grow. (identified in charts below). Valuation of property continues to increase at a steady rate. This increase could be attributable to the build out of Meadows at Clearfork Subdivisions 2 & 3 and Windridge Subdivision, along with the increase in assessed values of current properties including new commercial growth over the past several years. The sales tax revenues for Fiscal Year 2016 had a slight decrease, but in the last three years the City has seen a significant increase in sales tax revenues due to new businesses and a healthy area economy.



Long-term Financial Planning

The City Council approved a budget that maintained fund balance at 33% for Fiscal Year 2019. This is above the 25% minimum reserve required by the Fund Balance – Stabilization and Excess of Reserves Policy. The budget funded \$1,365,728 in one-time capital projects that were needed to improve the services provided by the City.

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

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

Relevant Financial Policies

The City of Lockhart practices a comprehensive set of financial policies and procedures. Annually or as needed, the City Council approves its financial policies and an extensive review and revisions are provided to the City Council and the City Manager from the Finance Department. Each year the City Council approves the Investment Policy, which is intended to protect City assets by identifying investment objectives, addressing the issues of investment risks versus rewards, and providing the framework for the establishment of controls, limitations, and responsibilities of City employees in the performance of their fiduciary responsibilities. In Fiscal Year 2019, the Finance Department began a review of the outdated purchasing policy. A new revised purchasing policy will have the intent to maintain a cost-effective purchasing system conforming to good management practice. The establishment and maintenance of an effective purchasing policy is possible only through a cooperative effort. This policy will reaffirm the City of Lockhart's commitment to strengthen purchasing and property controls to reasonably assure that assets are received and retained in the custody of the City of Lockhart.

Major Initiatives

There was no issuance of debt by the City of Lockhart for the Fiscal Year 2019.

The City of Lockhart's Council placed a Strategic Goals Plan in action for Fiscal Year 2019-2020, which includes economic development and planning; quality of life and facilities; staffing and personnel; IT software and hardware; and public safety initiatives. Economic development and planning includes the City working closely with the Lockhart School District to entice students to seek local public service employment opportunities; work with the Downtown Association to increase new business activities on the square; and revamp the Hotel Occupancy Tax Program to improve the effectiveness of HOT expenditures. The quality of life and facilities initiatives include increased street and sidewalk funding projects and a space needs and projected building program analysis. Implementation of a Classification and Compensation Study to ensure wages are competitive and adding three new positions. IT software and hardware replacements within the City's server environment. The major initiatives in public safety include the construction of Fire Station No. 2; renovations to the dispatch communication center; new public safety/public works handheld and mobile radios; and a new ambulance for EMS.

Financial Procedures and Internal Controls

The City's accounting records for all governmental funds are maintained on the modified accrual basis of accounting. This method recognizes revenue when it is measurable and available and expenditures when goods

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

Budgetary Controls

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

Other Acknowledgements

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

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

Respectfully Submitted,



Steve Lewis, City Manager



Pam M. Larison, Finance Director



| City Officials | Elective Position | Term Expires |
|------------------------|-----------------------------|--------------|
| Lew White | Mayor | 2020 |
| Angie Gonzales-Sanchez | Council Member – At-Large | 2022 |
| Juan Mendoza | Council Member – District 1 | 2022 |
| David Bryant | Council Member – District 2 | 2022 |
| Kara McGregor | Council Member – District 3 | 2020 |
| Jeffry Michelson | Council Member – District 4 | 2020 |
| Brad Westmoreland | Council Member – At-Large | 2022 |



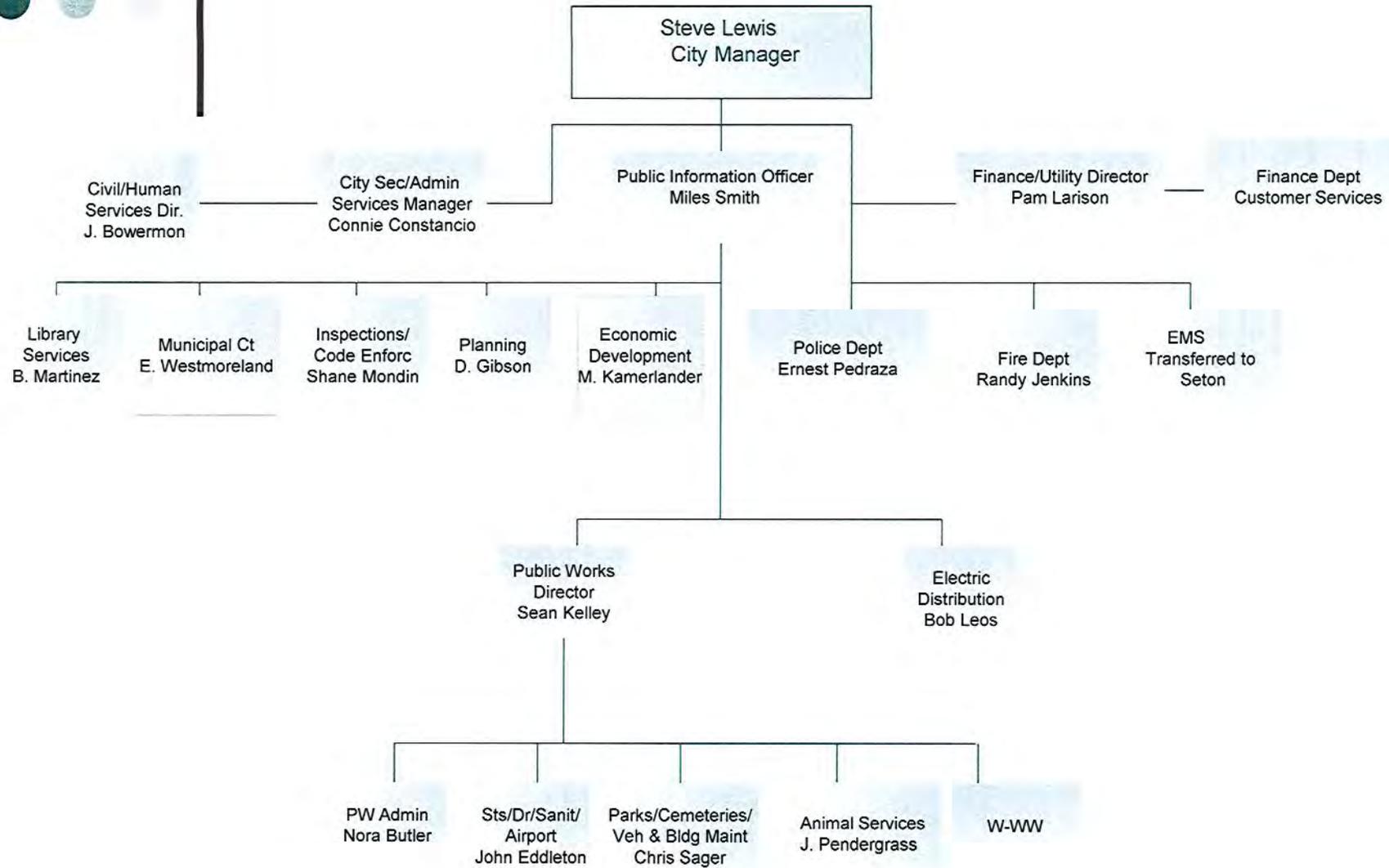
Front – Angie Gonzales-Sanchez, Mayor Lew White, Kara McGregor
 Back – Brad Westmoreland, Juan Mendoza, David Bryant, Jeffry Michelson

| Key Staff | Position |
|-----------------|------------------|
| Steve Lewis | City Manager |
| Pam Larison | Finance Director |
| Robert Eggimann | City Controller |

City of Lockhart Organizational Chart

Revised June 2019

17



FINANCIAL SECTION



CERTIFIED PUBLIC ACCOUNTANTS
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VICTORIA, TEXAS 77901-8142

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members
of the City Council
City of Lockhart, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Lockhart Economic Development Corporation were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

The Honorable Mayor and Members
of the City Council
City of Lockhart, Texas

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, schedules of changes in total OPEB liability and related ratios, and the schedules of employer contributions as listed in the table of contents, 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 performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate 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 combining and individual nonmajor fund financial statements are 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 them.

The Honorable Mayor and Members
of the City Council
City of Lockhart, Texas

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



HARRISON, WALDROP & UHEREK, L.L.P.
Certified Public Accountants

February 26, 2020

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, 2019.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year ended September 30, 2019, by \$44,781,520. Of this amount, \$11,407,439 of unrestricted net position is available to meet the City's ongoing obligations to citizens and creditors.
- The total cost of all City activities was \$29,912,262 for the fiscal year which is an increase of \$1,108,938 from the prior year.
- During the year, the City's general revenues exceeded net expenses of all City activities by \$613,742. This represents a 1% increase in net position from the previous fiscal year as a result of operations.
- At September 30, 2019, the City's governmental funds reported combined ending fund balances of \$10,692,617, a decrease of \$305,528 in comparison with the prior year. Included in this decrease was an increase of General Fund's fund balance in the amount of \$668,057 and a decrease in the fund balance for the 2015 Certificates of Obligation Fund of \$1,122,524.
- At September 30, 2019, unassigned fund balance for the General Fund was \$5,103,853 or 51% of total General Fund expenditures. This meets the City's minimum unassigned fund balance policy of 25% of the subsequent year's budgeted expenditures and outgoing transfers.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of four components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Organization and Flow of Financial Section Information

Independent Auditors' Report

Provides the opinion of the Independent Auditors on the fair presentation of the basic financial statements.

Management's Discussion and Analysis

This supplementary information is required for state and local government financial statements and is intended to provide a narrative introduction and analysis.

Pages 4 to 12

Government-wide Financial Statements

Provides information on governmental and business-type activities of the primary government.

Pages 13 to 16

Fund Financial Statements

Provides information on the financial position of specific funds of the primary governments.

Pages 17 to 32

Notes to Financial Statements

Provides a summary of significant accounting policies and related disclosures.

Pages 33 to 71

OVERVIEW OF THE FINANCIAL STATEMENTS - (Continued)

Government-wide Financial 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, with the difference between the two 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.

The *statement of activities* presents information showing how the government'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 in this statement for some items that will only result in cash flows in future fiscal periods (i.e., 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, public safety, public works, parks and recreation, and interest on long-term debt. The business-type activities of the City include electric, water, wastewater, solid waste services, and an airport fund.

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

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 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 evaluating 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 government funds and governmental activities.

The City maintained numerous individual governmental funds during the 2018-2019 fiscal year. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund and 2015 Certificates of Obligation Fund which are considered major funds. Data from the nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

OVERVIEW OF THE FINANCIAL STATEMENTS - (Continued)

Fund Financial Statements - (Continued)

The City adopts an annual appropriated budget for its General Fund and Debt Service Fund. A Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual, has been provided for the General Fund and Debt Service Fund to demonstrate compliance with this budget.

The City maintains only one type of *proprietary fund*. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for its electric, water, wastewater utility services, EMS, solid waste operations, and the airport operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in a more detailed format. The City has four major proprietary (enterprise) funds. They are the Electric Fund, the Water Fund, the Wastewater Fund, and EMS Fund. Separate financial statements are presented for the major funds. Individual fund data for each of the nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs/operations. The accounting used for fiduciary funds is similar to proprietary funds.

The basic fiduciary fund financial statements can be found on pages 31 through 32 of this report.

Notes to Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, required supplementary information is included which presents a budgetary comparison schedule for the City's General Fund, a schedule of changes in liability and related ratios for the TMRS Defined Benefit Pension Plan, a schedule of employer contributions for the TMRS Defined Benefit Pension Plan, a schedule of changes in Total OPEB liability and related ratios for the TMRS Supplemental Death Benefit Plan, a schedule of employer contributions for the TMRS Supplemental Death Benefit Plan, and a schedule of changes in Total OPEB liability and related ratios for the Retiree Healthcare Plan. Required supplementary information can be found on pages 72-81 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 82-104 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$44,781,520 at the close of the 2019 fiscal year.

By far, the largest portion of the City's net position, 67%, reflects its investment in capital assets (i.e., land, buildings, infrastructure, and machinery and equipment), less a related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its 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 capital assets themselves cannot be used to liquidate these liabilities.

City of Lockhart, Texas

Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|-------------------------------|----------------------------|---------------|-----------------------------|---------------|---------------|---------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Current and other assets | \$ 11,837,641 | \$ 12,185,125 | \$ 21,552,196 | \$ 20,613,045 | \$ 33,389,837 | \$ 32,798,170 |
| Capital assets (net) | 22,065,245 | 22,777,509 | 23,018,134 | 22,515,446 | 45,083,379 | 45,292,955 |
| Total assets | 33,902,886 | 34,962,634 | 44,570,330 | 43,128,491 | 78,473,216 | 78,091,125 |
| Deferred outflow of resources | 1,946,123 | 964,727 | 671,329 | 371,884 | 2,617,452 | 1,336,611 |
| Current and other liabilities | 1,533,610 | 1,447,457 | 2,609,895 | 2,224,344 | 4,143,505 | 3,671,801 |
| Noncurrent liabilities | 17,981,146 | 16,841,818 | 14,004,838 | 13,948,453 | 31,985,984 | 30,790,271 |
| Total liabilities | 19,514,756 | 18,289,275 | 16,614,733 | 16,172,797 | 36,129,489 | 34,462,072 |
| Deferred inflow of resources | 141,527 | 644,443 | 38,132 | 153,443 | 179,659 | 797,886 |
| Net position: | | | | | | |
| Net investment in | | | | | | |
| capital assets | 12,648,711 | 13,774,228 | 17,492,757 | 16,961,238 | 30,141,468 | 30,735,466 |
| Restricted | 1,571,133 | 1,396,101 | 1,661,480 | 1,421,535 | 3,232,613 | 2,817,636 |
| Unrestricted | 1,972,882 | 1,823,314 | 9,434,557 | 8,791,362 | 11,407,439 | 10,614,676 |
| Total net position | \$ 16,192,726 | \$ 16,993,643 | \$ 28,588,794 | \$ 27,174,135 | \$ 44,781,520 | \$ 44,167,778 |

An additional portion of the City's net position, 7%, represents resources that are subject to external restrictions on how they may be used (i.e., debt service). The remaining balance of unrestricted net position, \$11,407,439, 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 is able to report positive balances in all three categories of net position for the primary government as a whole.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)

Governmental activities. Governmental activities decreased the City's net position by \$800,917. Key elements of this decrease are as follows:

- Decrease in charges for services of \$472,314. Included in charges for services were license and permits as well as impact fees. The decrease in fiscal year 2019 is associated with a decrease in construction. License and permits are reviewed by Council to be competitive with market rates.
- Increase in property taxes of \$287,021 due to an increase in valuations.
- Increase in public safety expenses of \$398,232 due to an increase in personnel costs for both the police and fire departments which was mainly related to overtime.
- Increase in public works expenses of \$468,499 mainly due to street maintenance projects.
- The City's net pension liability increased at September 30, 2019 which resulted in an increase in expenses for the governmental activities by \$379,014.

Business-type activities. Business-type activities increased the City's net position by \$1,414,659 accounting for 230% of the total growth in the City's net position. Key elements of this change are as follows:

- Charges for services were \$453,987 higher due to decrease in demand in comparison with the prior year.
- Revenues exceeded expenses by \$4,459,401 before transfers to other funds.
- Expenses increased slightly over prior year by \$115,686. \$168,346 of this increase is a result of the increase in the City's net pension liability for the Business-type activities.
- Transfers to other funds were \$3,044,742 which was decreased from prior year by \$49,912 or 2%.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)

City of Lockhart, Texas

Changes in Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|---|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| REVENUES | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 1,218,255 | \$ 1,690,569 | \$ 20,679,365 | \$ 21,133,352 | \$ 21,897,620 | \$ 22,823,921 |
| Operating grants and contributions | 579,539 | 566,039 | 68,272 | 24,925 | 647,811 | 590,964 |
| Capital grants and contributions | 96,263 | 278,000 | - | - | 96,263 | 278,000 |
| General revenues: | | | | | | |
| Property taxes | 4,612,221 | 4,325,200 | - | - | 4,612,221 | 4,325,200 |
| Sales taxes | 1,767,048 | 1,650,931 | - | - | 1,767,048 | 1,650,931 |
| Franchise taxes | 360,589 | 357,278 | - | - | 360,589 | 357,278 |
| Other taxes | 111,841 | 106,756 | - | - | 111,841 | 106,756 |
| Impact fees | - | - | 195,808 | 244,561 | 195,808 | 244,561 |
| Investment earnings | 283,700 | 190,320 | 368,594 | 236,101 | 652,294 | 426,421 |
| Miscellaneous | 184,509 | 192,281 | - | 23,598 | 184,509 | 215,879 |
| Total revenues | 9,213,965 | 9,357,374 | 21,312,039 | 21,662,537 | 30,526,004 | 31,019,911 |
| EXPENSES | | | | | | |
| General government | 2,232,343 | 2,045,364 | - | - | 2,232,343 | 2,045,364 |
| Public safety | 5,799,256 | 5,401,024 | - | - | 5,799,256 | 5,401,024 |
| Public works | 3,552,691 | 3,084,192 | - | - | 3,552,691 | 3,084,192 |
| Health | 18,250 | 16,326 | - | - | 18,250 | 16,326 |
| Culture and recreation | 1,041,842 | 1,077,697 | - | - | 1,041,842 | 1,077,697 |
| Interest on long-term debt | 415,242 | 441,769 | - | - | 415,242 | 441,769 |
| Electric | - | - | 9,242,068 | 9,132,038 | 9,242,068 | 9,132,038 |
| Water | - | - | 3,224,639 | 3,428,101 | 3,224,639 | 3,428,101 |
| Wastewater | - | - | 1,370,942 | 1,281,066 | 1,370,942 | 1,281,066 |
| EMS | - | - | 1,383,128 | 1,334,506 | 1,383,128 | 1,334,506 |
| Sanitation | - | - | 1,553,603 | 1,461,111 | 1,553,603 | 1,461,111 |
| Airport | - | - | 78,258 | 100,130 | 78,258 | 100,130 |
| Total expenses | 13,059,624 | 12,066,372 | 16,852,638 | 16,736,952 | 29,912,262 | 28,803,324 |
| Change in net position before transfers | (3,845,659) | (2,708,998) | 4,459,401 | 4,925,585 | 613,742 | 2,216,587 |
| Transfers | 3,044,742 | 3,094,654 | (3,044,742) | (3,094,654) | - | - |
| Change in net position | (800,917) | 385,656 | 1,414,659 | 1,830,931 | 613,742 | 2,216,587 |
| Net position - beginning | 16,993,643 | 16,607,987 | 27,174,135 | 25,343,204 | 44,167,778 | 41,951,191 |
| Net position - ending | \$ 16,192,726 | \$ 16,993,643 | \$ 28,588,794 | \$ 27,174,135 | \$ 44,781,520 | \$ 44,167,778 |

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$10,692,617, a decrease of \$305,528 from the prior year.

Approximately 48% of this total amount, \$5,100,330, constitutes unassigned fund balance, which is available for spending at the government's discretion. The City also has \$574,446 of fund balance that is committed for specific projects. In addition, there is \$4,973,642 of fund balance that is restricted for specific purposes and \$44,199 that is classified as nonspendable; being that it is not available for new spending because it has already been committed: 1) for prepaid expenditures \$30,627; and 2) for inventory \$13,572.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$5,103,853. Unassigned fund balance represents 51% of total General Fund expenditures. The fund balance of the City's General Fund increased by \$668,057 during the current fiscal year which is attributable to an increase in revenues of \$446,496 and specifically property taxes in the amount of \$324,519. The fund balance of the 2015 Certificates of Obligation Fund, a major capital project fund, decreased \$1,122,524 due to the spending of the 2015 proceeds. The remaining other governmental funds had an increase in fund balance in the amount of \$148,939.

Proprietary Funds

The City's proprietary funds, the Electric Fund, the Water Fund, the Wastewater Fund, the EMS Fund, the Sanitation Fund and the Airport Fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the proprietary funds at the end of the current fiscal year amounted to \$9,434,557. The total growth for the funds was \$1,414,659. The Electric Fund had the largest increase in fund balance of the proprietary funds, \$943,931, which represented 16% over the prior year. Transfers to other funds from the Electric Fund decreased \$116,991 from fiscal year 2018.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual fiscal year revenues in the General Fund were \$490,351 more than the final budgeted amounts. The positive variance over the anticipated amount is comprised of the following items:

- \$114,658 in property tax revenues due to an increase in valuations.
- \$160,711 in sales and other tax revenues due to an increase in activity within the City.
- \$155,540 in intergovernmental and grants revenues due to additional grants received in fiscal year 2019.

Actual fiscal year expenditures in the General Fund were \$951,240 less than the final budgeted amounts. The positive variance over the anticipated amount is comprised of the following items:

- \$312,896 in general government due to spending less than anticipated.
- \$494,747 in capital outlay due to spending less than anticipated on capital projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City did not amend the original budget therefore there are no variations between the amended and original budget to discuss.

CAPITAL ASSETS AND DEBT ADMINISTRATIONCapital Assets

The City's investment in capital assets for its governmental and business-type activities amounts to \$45,083,379 (net of accumulated depreciation) at the end of the current fiscal year. This investment in capital assets includes land, buildings, improvements, vehicles, machinery and equipment, infrastructure, and construction in progress. The net decrease in the City's investment in capital assets was \$209,576 or 0.5%.

City of Lockhart, Texas**Capital Assets**

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Land | \$ 1,587,394 | \$ 1,587,394 | \$ 574,710 | \$ 574,710 | \$ 2,162,104 | \$ 2,162,104 |
| Construction in progress | 1,059,346 | 97,176 | 1,667,224 | 827,195 | 2,726,570 | 924,371 |
| Bldgs. and improvements | 7,323,728 | 7,581,373 | 1,379,559 | 1,421,243 | 8,703,287 | 9,002,616 |
| Infrastructure | 10,660,837 | 12,195,622 | 18,294,603 | 18,611,999 | 28,955,440 | 30,807,621 |
| Machinery and equipment | 1,433,940 | 1,315,944 | 1,102,038 | 1,080,299 | 2,535,978 | 2,396,243 |
| Total | <u>\$ 22,065,245</u> | <u>\$ 22,777,509</u> | <u>\$ 23,018,134</u> | <u>\$ 22,515,446</u> | <u>\$ 45,083,379</u> | <u>\$ 45,292,955</u> |

Additional information on the City's capital assets can be found in Note 6 of this report.

Long-Term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$23,370,057. Of this amount, \$6,255,000 represents General Obligation Tax and Revenue Bonds. The remainder of the City's bonded debt is comprised of \$16,060,000 of Combination Tax and Revenue Certificates of Obligation and unamortized premiums of \$1,055,057. The City's bonded debt had a net decrease of \$1,108,772 during the fiscal year ended September 30, 2019. Additional information on the long-term debt can be found in Note 10.

The City maintains a bond rating of "AA-" from S&P Global.

As a Home Rule City, the City is not limited by law in the amount of debt it may issue; however, all new local bond issues must be approved by the State Attorney General. There is no direct limit on debt in the City Charter. As a matter of policy, the Attorney General of Texas, will not approve the issuance of bonds where the total debt service of all tax supported debt requires a tax rate more than \$1.50 per \$100 assessed valuation. The Truth in Taxation criterion specifies that debt (interest & sinking) requirements must be met first, and then the operations can be funded. The property tax rate to meet these needs cannot exceed \$2.50 per \$100 valuation.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS 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 19.5% since 2015 and property tax valuation has increased by 27.6%. Even with the 19% increase, the City continues to forecast sales tax in a conservative position. The total sales tax payments received in 2019 fiscal year equaled \$1,767,048. The City anticipates a 2% increase for 2020 because of additional employment from new businesses and increased student enrollment in the local district.

Property valuations have increased due to new additions and property on the tax roll, along with the appraisal district reassessing valuations in 2019. The certified assessed taxable property valuations for the 2020 fiscal year (2019 tax roll) total \$574,119,621 with a tax rate of \$0.5862 per \$100 valuation for maintenance and operations and \$0.0980 per \$100 valuation for the interest and sinking fund. The total tax rate of \$0.6842 decreased 3.7% or \$0.0265 from 2018.

The City's capital plan for 2019-2020 continues to focus on infrastructure upgrades and improvements to streets, parks, electric distribution, water tower repairs and upgrades. Along with infrastructure, the City has several capital asset purchases in the budget which include patrol cars, City maintenance vehicles, electric bucket truck and forklift, and a brush truck. The increase in capital rolling stock is to provide a better quality of life and increased public safety for the City of Lockhart citizens.

Requests for Information

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 Finance Director, 308 W. San Antonio Street, Lockhart, Texas 78644.

Basic Financial Statements

CITY OF LOCKHART, TEXAS
STATEMENT OF NET POSITION
September 30, 2019

| | Primary Government | | | Component Unit |
|---|----------------------------|-----------------------------|---------------|--|
| | Governmental Activities | Business-type Activities | Total | Lockhart Economic Development Corporation |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | \$ 10,654,541 | \$ 16,378,523 | \$ 27,033,064 | \$ 2,587,664 |
| Receivables (net) | 822,429 | 4,690,859 | 5,513,288 | 152,947 |
| Due from other governments | 305,893 | - | 305,893 | - |
| Prepaid expenses | 41,206 | 16,989 | 58,195 | - |
| Inventory | 13,572 | 465,825 | 479,397 | 325,000 |
| Total current assets | 11,837,641 | 21,552,196 | 33,389,837 | 3,065,611 |
| Noncurrent assets (net) | | | | |
| Land and other assets not being depreciated | 2,646,740 | 2,241,934 | 4,888,674 | 108,000 |
| Buildings, improvements, and equipment (net) | 19,418,505 | 20,776,200 | 40,194,705 | 514,080 |
| Total noncurrent assets | 22,065,245 | 23,018,134 | 45,083,379 | 622,080 |
| Total assets | 33,902,886 | 44,570,330 | 78,473,216 | 3,687,691 |
| DEFERRED OUTFLOWS | | | | |
| Deferred amount on refunding | 234,419 | 180,927 | 415,346 | - |
| Deferred outflow related to pension | 1,693,925 | 486,317 | 2,180,242 | - |
| Deferred outflow related to OPEB | 17,779 | 4,085 | 21,864 | - |
| Total deferred outflow of resources | 1,946,123 | 671,329 | 2,617,452 | - |

The accompanying notes are an integral part of this statement.

| | Primary Government | | | Component Unit |
|---|-------------------------|--------------------------|----------------------|---|
| | Governmental Activities | Business-type Activities | Total | Lockhart Economic Development Corporation |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Accounts payable | \$ 389,656 | \$ 1,354,576 | \$ 1,744,232 | \$ 79 |
| Payroll related payables | 189,210 | 60,489 | 249,699 | 6,985 |
| Other payables | 6,776 | - | 6,776 | - |
| Accrued interest payable | 70,517 | 77,170 | 147,687 | - |
| Due to other governments | 32,751 | 100,118 | 132,869 | - |
| Deposits | - | 431,033 | 431,033 | - |
| Unearned revenue | - | 290 | 290 | - |
| Accrued compensated absences | 117,539 | 67,553 | 185,092 | 1,814 |
| Current portion of long-term liabilities | 727,161 | 518,666 | 1,245,827 | 21,060 |
| Total current liabilities | 1,533,610 | 2,609,895 | 4,143,505 | 29,938 |
| Noncurrent liabilities | | | | |
| Accrued compensated absences | 352,616 | - | 352,616 | - |
| Net pension liability | 4,694,730 | 1,242,705 | 5,937,435 | - |
| OPEB liability | 620,672 | 164,294 | 784,966 | - |
| Noncurrent portion of long-term liabilities | 12,313,128 | 12,597,839 | 24,910,967 | 143,540 |
| Total noncurrent liabilities | 17,981,146 | 14,004,838 | 31,985,984 | 143,540 |
| Total liabilities | 19,514,756 | 16,614,733 | 36,129,489 | 173,478 |
| DEFERRED INFLOWS | | | | |
| Deferred inflow related to pension | 113,043 | 30,592 | 143,635 | - |
| Deferred inflow related to OPEB | 28,484 | 7,540 | 36,024 | - |
| Total deferred inflows | 141,527 | 38,132 | 179,659 | - |
| NET POSITION | | | | |
| Net investment in capital assets | 12,648,711 | 17,492,757 | 30,141,468 | 457,480 |
| Restricted | | | | |
| Debt service | 189,843 | 243,284 | 433,127 | - |
| Capital projects | 47,859 | - | 47,859 | - |
| Other purposes | 1,333,431 | 1,418,196 | 2,751,627 | - |
| Unrestricted | 1,972,882 | 9,434,557 | 11,407,439 | 3,056,733 |
| Total net position | \$ 16,192,726 | \$ 28,588,794 | \$ 44,781,520 | \$ 3,514,213 |

CITY OF LOCKHART, TEXAS
STATEMENT OF ACTIVITIES
For the year ended September 30, 2019

| Function/Programs | Expenses | Program Revenues | | |
|---|----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government | | | | |
| Governmental activities | | | | |
| General government | \$ 2,232,343 | \$ 601,870 | \$ 2,700 | \$ - |
| Public safety | 5,799,256 | 295,192 | 503,979 | 62,500 |
| Public works | 3,552,691 | 291,604 | 56,116 | 33,763 |
| Health | 18,250 | - | 16,744 | - |
| Culture and recreation | 1,041,842 | 29,589 | - | - |
| Interest on long-term debt | 415,242 | - | - | - |
| Total governmental activities | 13,059,624 | 1,218,255 | 579,539 | 96,263 |
| Business-type activities | | | | |
| Electric | 9,242,068 | 12,193,929 | - | - |
| Water | 3,224,639 | 3,267,558 | - | - |
| Wastewater | 1,370,942 | 2,278,003 | - | - |
| EMS | 1,383,128 | 978,097 | 49,255 | - |
| Other | 1,631,861 | 1,961,778 | 19,017 | - |
| Total business-type activities | 16,852,638 | 20,679,365 | 68,272 | - |
| Total primary government | \$ 29,912,262 | \$ 21,897,620 | \$ 647,811 | \$ 96,263 |
| Component Unit | | | | |
| Lockhart Economic Development Corporation | \$ 1,262,313 | \$ 73,125 | \$ - | \$ - |

General revenues:

Taxes:

 Property taxes, levied for general purposes

 Property taxes, levied for debt service

 Sales taxes

 Franchise taxes

 Other taxes

Impact fees

Unrestricted investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

The accompanying notes are an integral part of this statement.

| Net (Expense) Revenue and Changes in Net Position | | | Component Unit |
|--|---------------------------------|----------------------|--|
| Primary Government | | | |
| Governmental Activities | Business- type Activities | Total | Lockhart Economic Development Corporation |
| \$ (1,627,773) | \$ - | \$ (1,627,773) | \$ - |
| (4,937,585) | - | (4,937,585) | - |
| (3,171,208) | - | (3,171,208) | - |
| (1,506) | - | (1,506) | - |
| (1,012,253) | - | (1,012,253) | - |
| (415,242) | - | (415,242) | - |
| <u>(11,165,567)</u> | <u>-</u> | <u>(11,165,567)</u> | <u>-</u> |
| - | 2,951,861 | 2,951,861 | - |
| - | 42,919 | 42,919 | - |
| - | 907,061 | 907,061 | - |
| - | (355,776) | (355,776) | - |
| - | 348,934 | 348,934 | - |
| - | <u>3,894,999</u> | <u>3,894,999</u> | <u>-</u> |
| <u>(11,165,567)</u> | <u>3,894,999</u> | <u>(7,270,568)</u> | <u>-</u> |
| - | - | - | <u>(1,189,188)</u> |
| 3,914,885 | - | 3,914,885 | - |
| 697,336 | - | 697,336 | - |
| 1,767,048 | - | 1,767,048 | 883,524 |
| 360,589 | - | 360,589 | - |
| 111,841 | - | 111,841 | - |
| - | 195,808 | 195,808 | - |
| 283,700 | 368,594 | 652,294 | 65,008 |
| 184,509 | - | 184,509 | - |
| <u>3,044,742</u> | <u>(3,044,742)</u> | <u>-</u> | <u>-</u> |
| <u>10,364,650</u> | <u>(2,480,340)</u> | <u>7,884,310</u> | <u>948,532</u> |
| (800,917) | 1,414,659 | 613,742 | (240,656) |
| <u>16,993,643</u> | <u>27,174,135</u> | <u>44,167,778</u> | <u>3,754,869</u> |
| <u>\$ 16,192,726</u> | <u>\$ 28,588,794</u> | <u>\$ 44,781,520</u> | <u>\$ 3,514,213</u> |

CITY OF LOCKHART, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2019

| | <u>General</u> | <u>2015 Certificates of Obligation</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|--|---|---|
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | \$ 5,537,854 | \$ 3,362,146 | \$ 1,754,541 | \$ 10,654,541 |
| Receivables (net) | 606,410 | - | 216,019 | 822,429 |
| Due from other funds | 32,420 | - | - | 32,420 |
| Due from other governments | 305,893 | - | - | 305,893 |
| Prepaid expenditures | 30,627 | - | 10,579 | 41,206 |
| Inventory | 13,572 | - | - | 13,572 |
| Total assets | <u>\$ 6,526,776</u> | <u>\$ 3,362,146</u> | <u>\$ 1,981,139</u> | <u>\$ 11,870,061</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 116,489 | \$ 245,000 | \$ 28,167 | \$ 389,656 |
| Payroll related payables | 189,210 | - | - | 189,210 |
| Other payables | 6,776 | - | - | 6,776 |
| Due to other funds | - | - | 32,420 | 32,420 |
| Due to other governments | 32,751 | - | - | 32,751 |
| Total liabilities | <u>345,226</u> | <u>245,000</u> | <u>60,587</u> | <u>650,813</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue | 459,052 | - | 67,579 | 526,631 |
| Total deferred inflows of resources | <u>459,052</u> | <u>-</u> | <u>67,579</u> | <u>526,631</u> |
| FUND BALANCES | | | | |
| Nonspendable | | | | |
| Prepaid expenditures | 30,627 | - | - | 30,627 |
| Inventory | 13,572 | - | - | 13,572 |
| Restricted | | | | |
| General government | - | - | 46,502 | 46,502 |
| Tourism | - | - | 6,637 | 6,637 |
| Public safety | - | - | 206,600 | 206,600 |
| Public works | - | - | 1,073,692 | 1,073,692 |
| Debt service | - | - | 203,016 | 203,016 |
| Various capital projects | - | 3,117,146 | 320,049 | 3,437,195 |
| Committed | | | | |
| Sidewalks | 51,967 | - | - | 51,967 |
| Revolving loan | 269,128 | - | - | 269,128 |
| Industrial park | 253,351 | - | - | 253,351 |
| Unassigned | 5,103,853 | - | (3,523) | 5,100,330 |
| Total fund balances | <u>5,722,498</u> | <u>3,117,146</u> | <u>1,852,973</u> | <u>10,692,617</u> |
| Total liabilities, deferred inflows and fund balances | <u>\$ 6,526,776</u> | <u>\$ 3,362,146</u> | <u>\$ 1,981,139</u> | <u>\$ 11,870,061</u> |

The accompanying notes are an integral part of this statement.

CITY OF LOCKHART, TEXAS

*RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION
OF GOVERNMENTAL ACTIVITIES
September 30, 2019*

| | | |
|--|---------------------|-----------------------------|
| Total governmental fund balances | | \$ 10,692,617 |
| <i>Amounts reported for governmental activities in the statement of net position are different because:</i> | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The governmental capital assets at year-end consist of: | | |
| Governmental capital assets costs | \$ 98,180,461 | |
| Accumulated depreciation of governmental capital assets | <u>(76,115,216)</u> | 22,065,245 |
| Property taxes receivable and other receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as "unavailable" in the funds. | | |
| Property taxes | 349,546 | |
| Other charges for services | <u>177,085</u> | 526,631 |
| Deferred outflows of resources are not reported in the governmental funds: | | |
| Deferred amount on refunding | 234,419 | |
| Deferred amount on pension | 1,693,925 | |
| Deferred amount on OPEB | <u>17,779</u> | 1,946,123 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of: | | |
| Bonds and certificates payable | (12,389,018) | |
| Bond premium | (651,271) | |
| Net pension liability | (4,694,730) | |
| OPEB liability | (620,672) | |
| Accrued interest payable | (70,517) | |
| Compensated absences | <u>(470,155)</u> | (18,896,363) |
| Deferred inflows of resources are not reported in the governmental funds: | | |
| Deferred amount on pension | (113,043) | |
| Deferred amount on OPEB | <u>(28,484)</u> | <u>(141,527)</u> |
| Net position of governmental activities | | <u>\$ 16,192,726</u> |

The accompanying notes are an integral part of this statement.

CITY OF LOCKHART, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the year ended September 30, 2019

| | General | 2015 Certificates of Obligation | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|---------------------------------------|--------------------------------|--------------------------------|
| REVENUES | | | | |
| Property taxes | \$ 3,966,993 | \$ - | \$ 709,460 | \$ 4,676,453 |
| Sales and other taxes | 2,126,764 | - | 112,714 | 2,239,478 |
| Fines, fees and forfeitures | 380,777 | - | 747,221 | 1,127,998 |
| Licenses and permits | 142,721 | - | - | 142,721 |
| Intergovernmental and grants | 403,677 | - | 150,677 | 554,354 |
| Charges for services | 2,200 | - | - | 2,200 |
| Investment | 141,431 | 92,539 | 49,730 | 283,700 |
| Miscellaneous | 171,980 | - | 103,463 | 275,443 |
| Total revenues | <u>7,336,543</u> | <u>92,539</u> | <u>1,873,265</u> | <u>9,302,347</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 2,064,894 | - | 43,043 | 2,107,937 |
| Public safety | 5,392,107 | - | 239,399 | 5,631,506 |
| Public works | 1,570,235 | - | 30,766 | 1,601,001 |
| Health and welfare | 13,320 | - | - | 13,320 |
| Culture and recreation | 903,261 | - | 9,478 | 912,739 |
| Capital outlay | - | 1,215,063 | 23,043 | 1,238,106 |
| Debt service | | | | |
| Principal retirement | - | - | 690,799 | 690,799 |
| Interest and fiscal charges | - | - | 456,409 | 456,409 |
| Paying agent and issue costs | - | - | 800 | 800 |
| Total expenditures | <u>9,943,817</u> | <u>1,215,063</u> | <u>1,493,737</u> | <u>12,652,617</u> |
| Excess (deficiency) of revenues over expenditures | (2,607,274) | (1,122,524) | 379,528 | (3,350,270) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 3,372,648 | - | 423,619 | 3,796,267 |
| Transfers out | (97,317) | - | (654,208) | (751,525) |
| Total other financing sources | <u>3,275,331</u> | <u>-</u> | <u>(230,589)</u> | <u>3,044,742</u> |
| Net change in fund balances | 668,057 | (1,122,524) | 148,939 | (305,528) |
| Fund balances - beginning | 5,054,441 | 4,239,670 | 1,704,034 | 10,998,145 |
| Fund balances - ending | <u>\$ 5,722,498</u> | <u>\$ 3,117,146</u> | <u>\$ 1,852,973</u> | <u>\$ 10,692,617</u> |

The accompanying notes are an integral part of this statement.

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CITY OF LOCKHART, TEXAS

*RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the year ended September 30, 2019*

Total net change in fund balances - governmental funds **\$ (305,528)**

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

| | | |
|----------------------------|--------------------|-----------|
| Increase in capital assets | \$ 1,436,784 | |
| Depreciation expense | <u>(2,149,048)</u> | (712,264) |

Current year payments on long-term debt are expenditures in the fund financial statements, but they serve to reduce long-term liabilities in the government-wide financial statements. In the current year, these amounts consist of:

| | | |
|---------------------------|--|---------|
| Bond principal retirement | | 690,799 |
|---------------------------|--|---------|

Because some property taxes will not be collected for several months after the City's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Similarly, other revenues are not currently available at year-end and are not reported as revenue in the governmental funds.

| | | |
|----------------|-----------------|----------|
| Property taxes | 4,590 | |
| Other revenues | <u>(92,975)</u> | (88,385) |

Some items 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. These activities consist of:

| | | |
|------------------------------------|-----------------|------------------|
| Increase in compensated absences | (29,049) | |
| Decrease in bond premium | 61,511 | |
| Decrease in loss on bond refunding | (23,442) | |
| Decrease in accrued interest | 3,898 | |
| Net pension costs | (379,014) | |
| Net OPEB costs | <u>(19,443)</u> | <u>(385,539)</u> |

Change in net position of governmental activities **\$ (800,917)**

The accompanying notes are an integral part of this statement.

CITY OF LOCKHART, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2019

| | <u>Business-type Activities</u> | | |
|--|---------------------------------|-------------------|-------------------|
| | <u>Electric</u> | <u>Water</u> | <u>Wastewater</u> |
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 3,571,555 | \$ 8,844,648 | \$ 2,631,795 |
| Receivables (net) | | | |
| Customer accounts | 1,965,431 | 542,345 | 327,092 |
| Other | - | 111,424 | 200,699 |
| Prepaid expenses | 15,414 | 625 | 950 |
| Inventory | 465,825 | - | - |
| Total current assets | <u>6,018,225</u> | <u>9,499,042</u> | <u>3,160,536</u> |
| Noncurrent assets | | | |
| Capital assets (net) | | | |
| Land and other assets not being depreciated | 245,796 | 1,662,740 | 140,828 |
| Buildings, improvements, and equipment (net) | <u>3,101,113</u> | <u>9,756,043</u> | <u>6,225,216</u> |
| Total noncurrent assets | <u>3,346,909</u> | <u>11,418,783</u> | <u>6,366,044</u> |
| Total assets | <u>9,365,134</u> | <u>20,917,825</u> | <u>9,526,580</u> |
| DEFERRED OUTFLOWS | | | |
| Deferred amount on refunding | - | 156,846 | 24,081 |
| Deferred outflow related to pension | 303,916 | 54,156 | 81,739 |
| Deferred outflow related to OPEB | <u>2,345</u> | <u>893</u> | <u>415</u> |
| Total deferred outflow of resources | <u>306,261</u> | <u>211,895</u> | <u>106,235</u> |

The accompanying notes are an integral part of this statement.

| <u>Business-type Activities</u> | | |
|---------------------------------|--------------------|-------------------|
| <u>EMS</u> | <u>Other Funds</u> | <u>Total</u> |
| \$ 585,628 | \$ 744,897 | \$ 16,378,523 |
| 1,264,855 | 279,013 | 4,378,736 |
| - | - | 312,123 |
| - | - | 16,989 |
| - | - | 465,825 |
| <u>1,850,483</u> | <u>1,023,910</u> | <u>21,552,196</u> |
| - | 192,570 | 2,241,934 |
| <u>299,551</u> | <u>1,394,277</u> | <u>20,776,200</u> |
| <u>299,551</u> | <u>1,586,847</u> | <u>23,018,134</u> |
| <u>2,150,034</u> | <u>2,610,757</u> | <u>44,570,330</u> |
| - | - | 180,927 |
| - | 46,506 | 486,317 |
| - | 432 | 4,085 |
| - | <u>46,938</u> | <u>671,329</u> |

(continued)

CITY OF LOCKHART, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2019

| | Business-type Activities | | |
|---|--------------------------|---------------------|---------------------|
| | Electric | Water | Wastewater |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable | \$ 678,747 | \$ 368,090 | \$ 95,473 |
| Payroll related payables | 35,225 | 11,518 | 7,013 |
| Accrued interest payable | 6,552 | 58,602 | 12,016 |
| Due to other governments | 100,118 | - | - |
| Customer deposits | 314,600 | 111,558 | - |
| Unearned revenue | - | - | - |
| Accrued compensated absences | 45,859 | 8,687 | 6,276 |
| Current portion of long-term obligations | | | |
| Capital leases | - | - | - |
| Bonds, certificates and notes | 50,356 | 366,782 | 84,136 |
| Total current liabilities | <u>1,231,457</u> | <u>925,237</u> | <u>204,914</u> |
| Noncurrent liabilities | | | |
| Net pension liability | 752,867 | 206,029 | 156,748 |
| OPEB liability | 99,534 | 27,239 | 20,723 |
| Noncurrent portion of long-term obligations | 781,466 | 10,017,112 | 1,729,695 |
| Total noncurrent liabilities | <u>1,633,867</u> | <u>10,250,380</u> | <u>1,907,166</u> |
| Total liabilities | <u>2,865,324</u> | <u>11,175,617</u> | <u>2,112,080</u> |
| DEFERRED INFLOWS | | | |
| Deferred inflow related to pension | 17,783 | 4,832 | 5,745 |
| Deferred inflow related to OPEB | 4,568 | 1,250 | 951 |
| Total deferred inflows | <u>22,351</u> | <u>6,082</u> | <u>6,696</u> |
| NET POSITION | | | |
| Net investment in capital assets | 2,515,087 | 8,388,985 | 4,789,245 |
| Restricted | 167,997 | 867,694 | 625,789 |
| Unrestricted | 4,100,636 | 691,342 | 2,099,005 |
| Total net position | <u>\$ 6,783,720</u> | <u>\$ 9,948,021</u> | <u>\$ 7,514,039</u> |

The accompanying notes are an integral part of this statement.

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| <u>Business-type Activities</u> | | |
|---------------------------------|---------------------|----------------------|
| <u>EMS</u> | <u>Other Funds</u> | <u>Total</u> |
| \$ 105,877 | \$ 106,389 | \$ 1,354,576 |
| - | 6,733 | 60,489 |
| - | - | 77,170 |
| - | - | 100,118 |
| - | 4,875 | 431,033 |
| - | 290 | 290 |
| - | 6,731 | 67,553 |
| 17,392 | - | 17,392 |
| - | - | 501,274 |
| <u>123,269</u> | <u>125,018</u> | <u>2,609,895</u> |
| - | 127,061 | 1,242,705 |
| - | 16,798 | 164,294 |
| 69,566 | - | 12,597,839 |
| <u>69,566</u> | <u>143,859</u> | <u>14,004,838</u> |
| <u>192,835</u> | <u>268,877</u> | <u>16,614,733</u> |
| - | 2,232 | 30,592 |
| - | 771 | 7,540 |
| - | 3,003 | 38,132 |
| 212,593 | 1,586,847 | 17,492,757 |
| - | - | 1,661,480 |
| <u>1,744,606</u> | <u>798,968</u> | <u>9,434,557</u> |
| <u>\$ 1,957,199</u> | <u>\$ 2,385,815</u> | <u>\$ 28,588,794</u> |

(concluded)

CITY OF LOCKHART, TEXAS

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

PROPRIETARY FUNDS

For the year ended September 30, 2019

| | <u>Business-type Activities</u> | | |
|--|---------------------------------|---------------------|---------------------|
| | <u>Electric</u> | <u>Water</u> | <u>Wastewater</u> |
| OPERATING REVENUES | | | |
| Charges for services | \$ 12,118,980 | \$ 3,267,558 | \$ 2,278,003 |
| Miscellaneous | 74,949 | - | - |
| Total operating revenues | <u>12,193,929</u> | <u>3,267,558</u> | <u>2,278,003</u> |
| OPERATING EXPENSES | | | |
| Personnel services | 1,296,503 | 337,368 | 280,157 |
| Contracts and services | 165,390 | 25,828 | 21,545 |
| Materials and supplies | 46,039 | 30,996 | 23,859 |
| Maintenance and repairs | 203,536 | 139,212 | 193,961 |
| Power, water, and water treatment | 7,153,792 | 1,979,512 | 556,296 |
| Depreciation | 280,483 | 389,760 | 241,453 |
| Miscellaneous | 74,686 | 6,639 | 2,875 |
| Total operating expenses | <u>9,220,429</u> | <u>2,909,315</u> | <u>1,320,146</u> |
| Operating income (loss) before nonoperating revenues (expenses) and transfers | 2,973,500 | 358,243 | 957,857 |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment income | 69,321 | 210,264 | 60,614 |
| Impact fees | - | 106,756 | 89,052 |
| Noncapital grants and contributions | - | - | - |
| Interest expense | (21,639) | (315,324) | (50,796) |
| Net nonoperating revenues (expenses) | <u>47,682</u> | <u>1,696</u> | <u>98,870</u> |
| Income before transfers | 3,021,182 | 359,939 | 1,056,727 |
| Transfers | | | |
| Transfers in | - | 133,787 | - |
| Transfers out | (2,077,251) | (4,805) | (810,735) |
| Total transfers | <u>(2,077,251)</u> | <u>128,982</u> | <u>(810,735)</u> |
| Change in net position | 943,931 | 488,921 | 245,992 |
| Net position - beginning, as restated | <u>5,839,789</u> | <u>9,459,100</u> | <u>7,268,047</u> |
| Net position - ending | <u>\$ 6,783,720</u> | <u>\$ 9,948,021</u> | <u>\$ 7,514,039</u> |

The accompanying notes are an integral part of this statement.

| <u>Business-type Activities</u> | | |
|---------------------------------|---------------------|----------------------|
| <u>EMS</u> | <u>Other Funds</u> | <u>Total</u> |
| \$ 978,097 | \$ 1,952,659 | \$ 20,595,297 |
| - | 9,119 | 84,068 |
| <u>978,097</u> | <u>1,961,778</u> | <u>20,679,365</u> |
| - | 260,781 | 2,174,809 |
| 1,276,312 | 1,277,603 | 2,766,678 |
| 128 | 7,538 | 108,560 |
| 864 | 21,090 | 558,663 |
| - | - | 9,689,600 |
| 105,824 | 63,264 | 1,080,784 |
| - | 1,585 | 85,785 |
| <u>1,383,128</u> | <u>1,631,861</u> | <u>16,464,879</u> |
| (405,031) | 329,917 | 4,214,486 |
| 13,470 | 14,925 | 368,594 |
| - | - | 195,808 |
| 49,255 | 19,017 | 68,272 |
| - | - | (387,759) |
| <u>62,725</u> | <u>33,942</u> | <u>244,915</u> |
| (342,306) | 363,859 | 4,459,401 |
| - | - | 133,787 |
| - | (285,738) | (3,178,529) |
| - | (285,738) | (3,044,742) |
| (342,306) | 78,121 | 1,414,659 |
| <u>2,299,505</u> | <u>2,307,694</u> | <u>27,174,135</u> |
| <u>\$ 1,957,199</u> | <u>\$ 2,385,815</u> | <u>\$ 28,588,794</u> |

CITY OF LOCKHART, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2019

| | Business-type Activities | | |
|---|--------------------------|---------------------|---------------------|
| | Electric | Water | Wastewater |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash received from customers | \$ 12,295,262 | \$ 3,260,656 | \$ 2,294,353 |
| Cash payments to suppliers for goods and services | (7,508,140) | (2,000,372) | (873,628) |
| Cash payments to employees for services | (1,153,790) | (331,962) | (241,006) |
| Net cash provided by operating activities | <u>3,633,332</u> | <u>928,322</u> | <u>1,179,719</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Increase (decrease) in customer deposits | 48,087 | (2,512) | - |
| Noncapital grants and contributions | - | - | - |
| Impact fees received | - | 106,756 | 89,052 |
| Transfers in from other funds | - | 133,787 | - |
| Transfers out to other funds | (2,077,251) | (4,805) | (810,735) |
| Net cash used by noncapital financing activities | <u>(2,029,164)</u> | <u>233,226</u> | <u>(721,683)</u> |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | | |
| Acquisition of capital assets | (350,495) | (1,146,361) | (86,617) |
| Principal paid on capital debt | (49,128) | (353,152) | (81,369) |
| Interest paid on capital debt | (22,026) | (345,831) | (54,764) |
| Net cash used by capital financing activities | <u>(421,649)</u> | <u>(1,845,344)</u> | <u>(222,750)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investment income | 69,321 | 210,264 | 60,614 |
| Net cash provided (used) by investing activities | <u>69,321</u> | <u>210,264</u> | <u>60,614</u> |
| Net increase (decrease) in cash and cash equivalents | 1,251,840 | (473,532) | 295,900 |
| Cash and cash equivalents at beginning of year | 2,319,715 | 9,318,180 | 2,335,895 |
| Cash and cash equivalents at end of year | <u>\$ 3,571,555</u> | <u>\$ 8,844,648</u> | <u>\$ 2,631,795</u> |

The accompanying notes are an integral part of this statement.

| Business-type Activities | | |
|--------------------------|-------------------|----------------------|
| EMS | Other Funds | Total |
| \$ 1,251,353 | \$ 1,939,687 | \$ 21,041,311 |
| (1,282,726) | (1,298,246) | (12,963,112) |
| - | (240,591) | (1,967,349) |
| <u>(31,373)</u> | <u>400,850</u> | <u>6,110,850</u> |
| - | (2,150) | 43,425 |
| 49,255 | 19,017 | 68,272 |
| - | - | 195,808 |
| - | - | 133,787 |
| - | (285,738) | (3,178,529) |
| <u>49,255</u> | <u>(268,871)</u> | <u>(2,737,237)</u> |
| - | - | (1,583,473) |
| (17,392) | - | (501,041) |
| - | - | (422,621) |
| <u>(17,392)</u> | <u>-</u> | <u>(2,507,135)</u> |
| 13,470 | 14,925 | 368,594 |
| <u>13,470</u> | <u>14,925</u> | <u>368,594</u> |
| 13,960 | 146,904 | 1,235,072 |
| <u>571,668</u> | <u>597,993</u> | <u>15,143,451</u> |
| <u>\$ 585,628</u> | <u>\$ 744,897</u> | <u>\$ 16,378,523</u> |

(continued)

CITY OF LOCKHART, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2019

| | Business-type Activities | | |
|--|--------------------------|-------------------|---------------------|
| | Electric | Water | Wastewater |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | |
| Operating income (loss) | \$ 2,973,500 | \$ 358,243 | \$ 957,857 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | | |
| Depreciation | 280,483 | 389,760 | 241,453 |
| Change in assets and liabilities: | | | |
| (Increase) decrease in receivables | 101,333 | 15,617 | (89,013) |
| (Increase) decrease in prepaid expenses | (433) | (625) | (801) |
| (Increase) decrease in inventory | 16,210 | - | - |
| (Increase) decrease in deferred outflow related to pension | (190,176) | (38,592) | (43,540) |
| (Increase) decrease in deferred outflow related to OPEB | 1,761 | 600 | 332 |
| Increase (decrease) in accounts payable | 107,049 | 159,921 | 31,072 |
| Increase (decrease) in payroll related payables | 3,202 | 1,324 | 306 |
| Increase (decrease) in due to other governments | 12,477 | - | - |
| Increase (decrease) in unearned revenue | - | - | - |
| Increase (decrease) in accrued compensated absences | 4,634 | 2,480 | 411 |
| Increase (decrease) in net pension liability | 377,099 | 69,386 | 88,426 |
| Increase (decrease) in OPEB liability | 12,326 | (4,473) | 4,867 |
| Increase (decrease) in deferred inflow related to pension | (70,701) | (26,569) | (12,602) |
| Increase (decrease) in deferred inflow related to OPEB | 4,568 | 1,250 | 951 |
| Net cash provided by operating activities | \$ 3,633,332 | \$ 928,322 | \$ 1,179,719 |

The accompanying notes are an integral part of this statement.

| <u>Business-type Activities</u> | | |
|---------------------------------|--------------------|---------------------|
| <u>EMS</u> | <u>Other Funds</u> | <u>Total</u> |
| \$ (405,031) | \$ 329,917 | \$ 4,214,486 |
| 105,824 | 63,264 | 1,080,784 |
| 273,257 | (19,623) | 281,571 |
| - | - | (1,859) |
| - | - | 16,210 |
| - | (30,145) | (302,453) |
| - | 315 | 3,008 |
| (5,423) | 9,019 | 301,638 |
| - | 1,513 | 6,345 |
| - | - | 12,477 |
| - | (2,468) | (2,468) |
| - | 1,585 | 9,110 |
| - | 58,739 | 593,650 |
| - | 942 | 13,662 |
| - | (12,979) | (122,851) |
| - | 771 | 7,540 |
| <u>\$ (31,373)</u> | <u>\$ 400,850</u> | <u>\$ 6,110,850</u> |

(concluded)

CITY OF LOCKHART, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2019

| | Private Purpose Trust | Agency Funds |
|---------------------------|-----------------------------|------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 1,781 | \$ 21,931 |
| Total assets | <u>1,781</u> | <u>\$ 21,931</u> |
| LIABILITIES | | |
| Due to others | - | \$ 21,931 |
| Total liabilities | - | <u>\$ 21,931</u> |
| NET POSITION | | |
| Held for various purposes | <u>\$ 1,781</u> | |

The accompanying notes are an integral part of this statement.

CITY OF LOCKHART, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the year ended September 30, 2019

| | <u>Private Purpose Trust</u> |
|------------------------------|--------------------------------------|
| ADDITIONS | |
| Investment income | \$ <u>42</u> |
| Total additions | 42 |
| DEDUCTIONS | <u>-</u> |
| Change in net position | 42 |
| Net position - beginning | <u>1,739</u> |
| Net position - ending | <u>\$ 1,781</u> |

The accompanying notes are an integral part of this statement.

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NOTE 1: 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.

A. Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including legally separate organizations as component units within the City's reporting entity are set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

The Lockhart Economic Development Corporation (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. 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, 2019.

This component unit is discretely presented in the financial statements. Complete financial statements of the individual component unit can be obtained from the Office of the Finance Director, 308 W. San Antonio Street, Lockhart, Texas 78644.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when transactions occur 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.

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 City 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.

Property taxes, sales taxes, franchise taxes, fines, 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. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The General Fund is the City's main operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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). The City has five Capital Project Funds, one of which has been reported as a major fund. The 2015 Certificates of Obligation Fund accounts for the proceeds received and expenditures incurred related to the City's issuance of certificates of obligation in 2015. The proceeds from this issue will be used to fund various projects, the majority of which relate to infrastructure improvements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - (Continued)

The City reports the following major enterprise (proprietary) funds:

Enterprise Funds are used to account for operations: 1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Electric Fund accounts for the activities of the City related to its provision of electricity.

The Water Fund is used to account for the establishment and maintenance of water facilities within the municipal boundaries of the City.

The Wastewater Fund is used to account for the establishment and maintenance of sewage and drainage facilities within the municipal boundaries of the City.

The Emergency Medical Services Fund (EMS) is used to account for the activities related to providing ambulance services for the City.

Additionally, the City reports the following fund types:

Special Revenue Funds - Funds of this type account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Fund - This fund accounts for the resources accumulated and payments made for principal and interest on long-term obligation debt of the governmental funds.

Separate financial statements are provided for governmental funds, proprietary funds, discretely presented component units, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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.

Agency Funds - These funds are custodial in nature and are used to account for the receipt, temporary investment, and remittance of resources to third parties. Because of the nature of these funds, they do not present results of operations or have a measurement focus.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - (Continued)

The proprietary funds are accounted for on a flow of *economic resources measurement focus* and utilize the *accrual basis of accounting*. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used between various City functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 City's enterprise funds are charges to customers for sales and services. The Water Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost connecting new customers to the water 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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Between 60 and 90 days prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget includes proposed expenditures and the means of financing them. A budget is prepared for the City's General Fund and Debt Service Fund.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is adopted by City Council through the passage of an ordinance no later than the beginning of each fiscal year, or as soon thereafter as is practical.
4. No funds may be expended or encumbered which will exceed appropriations; however, the City Manager is authorized to transfer budgeted amounts within and among departments of individual funds in amounts not to exceed \$5,000. Any revisions that alter the total expenditures/expenses of any fund must be approved by the City Council.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Budgets and Budgetary Accounting - (Continued)

5. The budgets for the City's governmental funds are prepared in accordance with the basis of accounting utilized by those funds. The budgets for the enterprise funds are adopted under a basis consistent with generally accepted accounting principles (GAAP), except that depreciation, certain capital expenses, nonoperating income, and expense items are not considered.
6. Formal budgetary integration is employed as a management control device during the year for all governmental funds and proprietary funds.
7. All appropriations lapse at year-end.

E. 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.

The City Council has adopted a written investment policy regarding the investment of its funds as defined by the Public Funds Investment Act of 1995. The investments of the City are in compliance with the City Council's investment policies.

Investments for the City, as well as the component unit, are recorded at amortized cost, which as of September 30, 2019, approximates fair value. Because the fair value of the City's investments did not materially differ from cost, no adjustments were made to the City's reporting amounts. See Note 3 for further discussion.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All receivables are reported net of an applicable allowance for uncollectibles. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 4.5% of outstanding property taxes at September 30, 2019.

The Caldwell County Appraisal District bills and collects property taxes for the City. These taxes are levied on October 1st of each year and are payable by the following January 31st, at which time penalties and interest charges are assessed on unpaid balances. An enforceable lien on property is attached on all ad valorem taxes unpaid as of January 1st following the year of levy.

G. Inventories and Prepaid Items

All inventories are valued at the lower of cost or market on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses/expenditures in both government-wide and fund financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, drainage systems, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current year, no construction period interest expense was capitalized by the City's enterprise funds.

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|-------------------------------|--------------|
| Buildings and Improvements | 10-50 |
| Public Domain Infrastructure | 10-40 |
| Utility System Infrastructure | 30-50 |
| Machinery and Equipment | 5-10 |

I. Compensated Absences

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

J. Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, discounts, and losses on refunding are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable deferred amounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

K. Deferred Outflows/Inflows of Resources

The statement of net position reports a separate section for deferred outflows of resources which follows the asset section. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. One is the deferred amount on refunding reported in the government-wide statement of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is the deferred amount calculated in the actuarial pension study required by GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" (GASB No. 68) and the current year pension payments reported in the government-wide statement of net position. The third item is the deferred amount calculated in the actuarial OPEB study required by GASB Statement No. 75 "Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions (OPEB)" (GASB No. 75) and the current year OPEB payments reported in the government-wide statement of net position.

In addition to liabilities, the statement of net position also reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that are considered deferred inflows of resources. One of the items arises only under a modified accrual basis of accounting and this item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from a variety of sources and are further defined in Note 4. The second item that qualifies for reporting as a deferred inflow of resources is calculated in the actuarial pension study required by GASB No. 68. The third item that qualifies for reporting as a deferred inflow of resources is calculated in the actuarial OPEB study required by GASB No. 75. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

L. Pensions and OPEB

For purposes of measuring the net pension liability, OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEBs, and pension and OPEB 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. Information regarding the City's pension and OPEB liability is obtained from TMRS through reports prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company (GRS), in compliance with GASB No. 68 and No. 75.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. Fund Balance Policies

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory or prepaid items) because they are either not in spendable form, or legally or contractually required to be maintained in-tact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the General Fund.

Fund balance classifications depict the nature of the net resources that are reported in a governmental fund. An individual governmental fund may include non-spendable resources and amounts that are restricted, committed, assigned, or any combination of those classifications. In addition, the General Fund may also include an unassigned amount.

Commitments will only be used for specific purposes pursuant to a formal action (ordinance) of the City Council. The action to commit funds must occur prior to fiscal year-end, to report such commitments in the balance sheet of the respective period, even though the amount may be determined subsequent to fiscal year-end. A two-thirds majority vote is required to approve a commitment and a two-thirds majority vote is required to remove a commitment.

N. Net Position Flow Assumptions

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the City to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the City that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

O. Minimum Fund Balance Policy

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

P. Use of Estimates

The preparation of the government-wide and fund financial statements in conformity with GAAP requires the City to make estimates and assessments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Compliance

Budgetary compliance is monitored at the fund level in both the General Fund and in the Debt Service Fund. There was one situation of expenditures exceeding the amount appropriated during the fiscal year 2018-2019.

| <u>Fund/Department</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Negative Variance</u> |
|------------------------|---------------------|---------------|--------------------------|
| Debt Service Fund | \$ 1,092,155 | \$ 1,148,008 | \$ (55,853) |

These over expenditures were funded by available fund balance in the Debt Service Fund.

B. Deficit Fund Equity

As of September 30, 2019, the Municipal Court Technology Fund, a nonmajor Special Revenue Fund, reported a deficit fund balance of \$3,523. Steps will be taken to eliminate this deficit in the upcoming fiscal year.

NOTE 3: DEPOSITS AND INVESTMENTS

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.

As of September 30, 2019, the City had the following investments classified as cash and cash equivalents:

| <u>Investment Type</u> | <u>Amortized Cost</u> | <u>Weighted Average Maturity (Days)</u> |
|-------------------------------|-----------------------|---|
| Public Funds Investment Pools | | |
| TexPool | \$ 7,884,377 | 34 |
| MBIA Texas CLASS | 11,276,479 | 50 |
| TexStar | 8,361,586 | 18 |
| Total fair value | <u>\$ 27,522,442</u> | |

NOTE 3: DEPOSITS AND INVESTMENTS - (Continued)

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. The pools use amortized cost rather than fair value to report net position to compute share prices. Accordingly, the fair value of the position in these pools is the same as the value of the shares in each pool.

As previously discussed in Note 1, the investments are reported in the accompanying statements at amortized cost.

A. 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 non-operating 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. TexPool's weighted average maturity cannot exceed 60 days.

B. Credit Risk

The investment pools operate in full compliance with the Public Funds Investment Act. TexPool, MBIA Texas CLASS, and TexStar are rated AAAM by Standard & Poor's.

C. Concentration of 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.

D. 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 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, 2019.

E. 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 securities be held in the name of the City or held on behalf of the City and that all securities are purchased using the delivery versus payment method. As of September 30, 2019, and for the year then ended, the City was not exposed to any custodial credit risk.

Please see Note 19 for discussions relative to the investments of the City's component unit.

NOTE 4: RECEIVABLES

Receivables as of year-end for the City's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

| | <u>General</u> | <u>Electric</u> | <u>Water</u> | <u>Wastewater</u> | <u>EMS</u> | <u>Nonmajor Bus.-type Funds</u> | <u>Nonmajor Govt. Funds</u> | <u>Total</u> |
|------------------------------------|--------------------|---------------------|-------------------|-------------------|---------------------|---|-------------------------------------|---------------------|
| Receivables: | | | | | | | | |
| Ad valorem taxes | \$ 343,222 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 67,427 | \$ 410,649 |
| Franchise taxes | 56,278 | - | - | - | - | - | 6,490 | 62,768 |
| Municipal crt fines | 1,510,965 | - | - | - | - | - | 102,360 | 1,613,325 |
| Accounts | 42,050 | 2,101,378 | 564,621 | 339,623 | 4,027,818 | 290,127 | 97,657 | 7,463,274 |
| Occupancy taxes | - | - | - | - | - | - | 22,398 | 22,398 |
| Other | <u>226,013</u> | <u>428</u> | <u>111,424</u> | <u>200,699</u> | <u>-</u> | <u>500</u> | <u>26,076</u> | <u>565,140</u> |
| Gross receivables | 2,178,528 | 2,101,806 | 676,045 | 540,322 | 4,027,818 | 290,627 | 322,408 | 10,137,554 |
| Less: Allowance for uncollectibles | <u>(1,572,118)</u> | <u>(136,375)</u> | <u>(22,276)</u> | <u>(12,531)</u> | <u>(2,762,963)</u> | <u>(11,614)</u> | <u>(106,389)</u> | <u>(4,624,266)</u> |
| Net total receivables | <u>\$ 606,410</u> | <u>\$ 1,965,431</u> | <u>\$ 653,769</u> | <u>\$ 527,791</u> | <u>\$ 1,264,855</u> | <u>\$ 279,013</u> | <u>\$ 216,019</u> | <u>\$ 5,513,288</u> |

The City is permitted by a local charter to levy taxes up to limits set by the Constitution and laws of the State of Texas. Currently, the State of Texas does not set limits on the rate at which ad valorem taxes may be assessed. The combined tax rate for the year ended September 30, 2019, was \$0.7260 per \$100 of assessed valuation. Property taxes attach as an enforceable lien on property as of January 1st. Taxes are levied on October 1st and payable by the following January 31st, which comprises the collection dates for the current tax roll.

The City's governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period (unavailable). The governmental funds may also defer revenue recognition in connection with resources that have been received, but not yet recognizable (unearned). At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

| | <u>Unavailable</u> | <u>Unearned</u> | <u>Total</u> |
|----------------------|--------------------|-----------------|-------------------|
| General Fund | | | |
| Ad valorem taxes | \$ 292,202 | \$ - | \$ 292,202 |
| Charges for services | 166,850 | - | 166,850 |
| Nonmajor Funds | | | |
| Ad valorem taxes | 57,344 | - | 57,344 |
| Charges for services | <u>10,235</u> | <u>-</u> | <u>10,235</u> |
| | <u>\$ 526,631</u> | <u>\$ -</u> | <u>\$ 526,631</u> |

NOTE 5: DUE FROM OTHER GOVERNMENTS

The City reported amounts due from other governments as of the end of the current fiscal year. These amounts are comprised of the following at September 30, 2019:

| | <u>General</u> |
|-------------|-------------------|
| Sales taxes | \$ 305,893 |
| | <u>\$ 305,893</u> |

NOTE 6: CAPITAL ASSETS

The capital asset activity of the City was as follows for the year ended September 30, 2019:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|---------------------|-------------------|---------------------------|
| Governmental activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 1,587,394 | \$ - | \$ - | \$ 1,587,394 |
| Construction in progress | 97,176 | 985,570 | 23,400 | 1,059,346 |
| Total capital assets not being depreciated | <u>1,684,570</u> | <u>985,570</u> | <u>23,400</u> | <u>2,646,740</u> |
| Capital assets, being depreciated | | | | |
| Machinery and equipment | 6,483,709 | 451,214 | - | 6,934,923 |
| Buildings | 11,968,499 | - | - | 11,968,499 |
| Infrastructure | 76,606,899 | 23,400 | - | 76,630,299 |
| Total capital assets being depreciated | <u>95,059,107</u> | <u>474,614</u> | <u>-</u> | <u>95,533,721</u> |
| Less accumulated depreciation for | | | | |
| Machinery and equipment | 5,167,765 | 333,218 | - | 5,500,983 |
| Buildings | 4,387,126 | 257,645 | - | 4,644,771 |
| Infrastructure | 64,411,277 | 1,558,185 | - | 65,969,462 |
| Total accumulated depreciation | <u>73,966,168</u> | <u>2,149,048</u> | <u>-</u> | <u>76,115,216</u> |
| Total capital assets being depreciated, net | <u>21,092,939</u> | <u>(1,674,434)</u> | <u>-</u> | <u>19,418,505</u> |
| Governmental activities capital assets, net | <u>\$ 22,777,509</u> | <u>\$ (688,864)</u> | <u>\$ 23,400</u> | <u>\$ 22,065,245</u> |
| Business-type activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 574,710 | \$ - | \$ - | \$ 574,710 |
| Construction in progress | 827,195 | 1,288,276 | 448,247 | 1,667,224 |
| Total capital assets not being depreciated | <u>1,401,905</u> | <u>1,288,276</u> | <u>448,247</u> | <u>2,241,934</u> |
| Capital assets, being depreciated | | | | |
| Machinery and equipment | 6,605,635 | 242,739 | - | 6,848,374 |
| Buildings and improvements | 4,500,538 | - | - | 4,500,538 |
| Infrastructure | 38,676,584 | 500,705 | - | 39,177,289 |
| Total capital assets being depreciated | <u>49,782,757</u> | <u>743,444</u> | <u>-</u> | <u>50,526,201</u> |
| Less accumulated depreciation for | | | | |
| Machinery and equipment | 5,525,336 | 221,000 | - | 5,746,336 |
| Buildings and improvements | 3,079,295 | 41,684 | - | 3,120,979 |
| Infrastructure | 20,064,586 | 818,100 | - | 20,882,686 |
| Total accumulated depreciation | <u>28,669,217</u> | <u>1,080,784</u> | <u>-</u> | <u>29,750,001</u> |
| Total capital assets being depreciated, net | <u>21,113,540</u> | <u>(337,340)</u> | <u>-</u> | <u>20,776,200</u> |
| Business-type activities capital assets, net | <u>\$ 22,515,445</u> | <u>\$ 950,936</u> | <u>\$ 448,247</u> | <u>\$ 23,018,134</u> |

NOTE 6: CAPITAL ASSETS - (Continued)

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities

| | |
|----------------------|----------------|
| General government | \$ 102,282 |
| Public safety | 271,944 |
| Public works | 1,653,229 |
| Health | 4,930 |
| Parks and recreation | <u>116,663</u> |

Total depreciation expense - governmental activities \$ 2,149,048

Business-type activities

| | |
|------------|---------------|
| Electric | \$ 280,483 |
| Water | 389,760 |
| Wastewater | 241,453 |
| EMS | 105,824 |
| Sanitation | 10,446 |
| Airport | <u>52,818</u> |

Total depreciation expense - business-type activities \$ 1,080,784

NOTE 7: DEFINED BENEFIT PENSION PLAN

Plan Description

The City participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the 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 TMRS 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 comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

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

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven 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.

NOTE 7: DEFINED BENEFIT PENSION PLAN - (Continued)

Benefits Provided - (Continued)

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions of the City for plan year 2019 were as follows:

| | |
|---|-----------------|
| Employee deposit rate | 6.0% |
| Matching ratio (City to employee) | 2 to 1 |
| Years required for vesting | 5 |
| Service retirement eligibility (expressed as age/years of service) | 60/5, 0/20 |
| Updated service credit | 100.0 repeating |
| Annuity increase (to retirees) | 70.0% of CPI |

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | 79 |
| Inactive employees entitled to but not yet receiving benefits | 121 |
| Active employees | <u>136</u> |
| | <u>336</u> |

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 were required to contribute 6.00% of their annual gross earnings during the fiscal year. The contribution rates for the City were 13.21% and 13.00% in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2019 were \$872,807, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2018, 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, 2018 actuarial valuation was determined using the following actuarial assumptions:

| | |
|---------------------------|---|
| Inflation | 2.5% |
| Overall Payroll Growth | 2.4% |
| Investment Rate of Return | 6.75%, net of pension plan investment expense, including inflation |

NOTE 7: DEFINED BENEFIT PENSION PLAN - (Continued)

Net Pension Liability - (Continued)

Actuarial Assumptions - (Continued)

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the City, rates are multiplied by an additional factor of 100%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2010 through December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal (EAN) actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

NOTE 7: DEFINED BENEFIT PENSION PLAN - (Continued)

Net Pension Liability - (Continued)

Actuarial Assumptions - (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class in fiscal year 2019 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return (Arithmetic)</u> |
|-----------------------|--------------------------|--|
| Domestic Equity | 17.50% | 4.30% |
| International Equity | 17.50% | 6.10% |
| Core Fixed Income | 10.00% | 1.00% |
| Non-Core Fixed Income | 20.00% | 3.39% |
| Real Return | 10.00% | 3.78% |
| Real Estate | 10.00% | 4.44% |
| Absolute Return | 10.00% | 3.56% |
| Private Equity | <u>5.00%</u> | 7.75% |
| Total | <u>100.00%</u> | |

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.

| | Increase (Decrease) | | |
|---|--------------------------------|------------------------------------|------------------------------|
| | <u>Total Pension Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Net Pension Liability</u> |
| | (a) | (b) | (a) - (b) |
| Balance at 12/31/2017 | \$ 32,209,512 | \$ 28,793,436 | \$ 3,416,076 |
| Changes for the year: | | | |
| Service cost | 861,176 | - | 861,176 |
| Interest | 2,158,275 | - | 2,158,275 |
| Difference between expected and actual experience | (144,312) | - | (144,312) |
| Change of assumptions | - | - | - |
| Contributions - Employer | - | 848,460 | (848,460) |
| Contributions - Employee | - | 385,314 | (385,314) |
| Net investment income | - | (862,453) | 862,453 |
| Benefit payments, including refunds of employee contributions | (1,331,302) | (1,331,302) | - |
| Administrative expense | - | (16,669) | 16,669 |
| Other changes | - | (872) | 872 |
| Net changes | <u>1,543,837</u> | <u>(977,522)</u> | <u>2,521,359</u> |
| Balance at 12/31/2018 | <u>\$ 33,753,349</u> | <u>\$ 27,815,914</u> | <u>\$ 5,937,435</u> |

NOTE 7: DEFINED BENEFIT PENSION PLAN - (Continued)

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:

| | 1.0% Decrease in Discount Rate (5.75%) | Discount Rate (6.75%) | 1.0% Increase in Discount Rate (7.75%) |
|-------------------------------|--|-----------------------|--|
| City's Net Pension Liability: | \$10,889,303 | \$5,937,435 | \$1,913,041 |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at www.tmr.com.

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

For the year ended September 30, 2019, the City recognized pension expense of \$1,420,208.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------|-------------------------------|
| Differences between expected and actual economic experience | \$ 34,137 | \$ 143,635 |
| Changes in actuarial assumptions | - | - |
| Difference between projected and actual investment earnings | 1,492,336 | - |
| Contributions subsequent to the measurement date | 653,769 | - |
| Total | \$ 2,180,242 | \$ 143,635 |

\$653,769 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2019. 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: | Pension Expense Amount |
|-------------------------|------------------------|
| 2019 | \$ 491,907 |
| 2020 | 146,556 |
| 2021 | 183,175 |
| 2022 | 561,202 |
| 2023 | - |
| Thereafter | - |
| Total | \$1,382,840 |

NOTE 8: SUPPLEMENTAL DEATH BENEFIT PLAN (OPEB)

Plan Description and Benefits Provided

TMRS administers a defined benefit group-term life insurance plan 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 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). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

Membership

At the December 31, 2018 valuation and measurement date, the following is the number of members in the plan:

| | |
|---|------------|
| Inactive employees currently receiving benefits | 57 |
| Inactive employees entitled to but not yet receiving benefits | 24 |
| Active employees | <u>136</u> |
| Total | <u>217</u> |

Contributions

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 retired term life insurance during employees' entire careers. Therefore, there are no assets that are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. The SDBF is considered an unfunded OPEB plan and benefit payments made by the City are treated as being equal to the City's yearly contribution for retirees.

The City's contribution rates for the program are as follows:

| Plan/Calendar Year | Total SDB Contribution (Rate) | Retiree Portion of SDB Contribution (Rate) |
|--------------------|-------------------------------|--|
| 2017 | 0.24% | 0.06% |
| 2018 | 0.25% | 0.05% |
| 2019 | 0.26% | 0.05% |

NOTE 8: SUPPLEMENTAL DEATH BENEFIT PLAN (OPEB) - (Continued)

Total OPEB Liability

The City's total OPEB liability and the OPEB expense is recognized on the City's financial statements. The OPEB expense recognized each fiscal year is equal to the change in the total OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of certain changes in the liability.

Actuarial Assumptions

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

| | |
|--|--|
| Inflation | 2.5% |
| Salary increases | 3.5% to 10.5 % including inflation |
| Discount rate | 3.71% |
| 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 |
| Mortality rates-service retirees | RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB |
| Mortality rates-disabled retirees | RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor. |

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NOTE 8: SUPPLEMENTAL DEATH BENEFIT PLAN (OPEB) - (Continued)

Total OPEB Liability - (Continued)

Changes in Total OPEB Liability

The following details the changes in the Total OPEB liability:

| | |
|---|--------------------------|
| Balance at 9/30/18 | \$ 401,959 |
| Changes for the year: | |
| Service cost | 19,266 |
| Interest | 13,571 |
| Change of benefit terms | - |
| Difference between expected and actual experience | (17,158) |
| Change of assumptions | (27,464) |
| Benefit payments | (3,211) |
| Net changes | <u>(14,996)</u> |
| Balance at 9/30/19 | <u>\$ 386,963</u> |

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 3.71%, as well as what the City's Total OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.71%) or 1-percentage-point higher (4.71%) than the current rate:

| | 1.0% Decrease in Discount Rate (2.71%) | Discount Rate (3.71%) | 1.0% Increase in Discount Rate (4.71%) |
|------------------------------|---|-----------------------|---|
| City's Total OPEB Liability: | \$461,184 | \$386,963 | \$328,756 |

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

For the year ended September 30, 2019, the City recognized OPEB expense of \$30,305

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | \$ 13,852 |
| Changes in actuarial assumptions | 19,350 | 22,172 |
| Contributions subsequent to the measurement date | 2,514 | - |
| Total | \$ 21,864 | \$ 36,024 |

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NOTE 8: SUPPLEMENTAL DEATH BENEFIT PLAN (OPEB) - (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - (Continued)

Deferred outflows and inflows of resources to be recognized in future OPEB expense (excluding City contributions subsequent to the measurement date) are as follows:

| Year ended December 31: | OPEB Expense Amount |
|-------------------------|---------------------|
| 2019 | (\$ 2,532) |
| 2020 | (2,532) |
| 2021 | (2,532) |
| 2022 | (7,446) |
| 2023 | (1,632) |
| Thereafter | - |
| Total | (\$16,674) |

NOTE 9: RETIREE HEALTH BENEFIT PLAN (OPEB)

Plan Description

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

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

At the September 30, 2018 valuation and September 30, 2019 measurement date, the following represents the active employees and retirees that are eligible to participate in the plan:

| | <u>Employees Only</u> | <u>Employee & Dependents</u> |
|------------------|-----------------------|----------------------------------|
| Retirees | 2 | 1 |
| Active employees | 68 | 13 |

NOTE 9: RETIREE HEALTH BENEFIT PLAN (OPEB) - (Continued)

Total OPEB Liability

The most recent actuarial valuation was performed as of September 30, 2018. Update procedures were used to roll forward the total OPEB liability to the measurement date of September 30, 2019.

Funded Status

As of September 30, 2019, the measurement date, the Total OPEB Liability for benefits was \$398,002, all of which was unfunded. There are no assets that are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Actuarial Methods and Assumptions

Actuarial values of the program involve estimates of the value of reported amounts and assumptions of the probability of occurrence of events far into the future. The actuarial methods and assumptions used in the September 30, 2018 valuation are as follows:

| | |
|------------------------|---|
| Actuarial method | Individual entry age normal cost method – level percentage of projected salary |
| Discount rate | 4.06% (1.06% real rate of return plus 3.00% inflation) |
| Health care cost trend | Level 5.00% |
| Mortality rates | RPH-2014 Total Table with Projection MP-2018 |
| Turnover | Rates varying based on gender, age and select and ultimate at 9 years. Rates based on the TMRS actuarial assumptions from the 2017 retirement plan valuation report |
| Disability | None assumed |
| Retirement rates | Rates based on the TMRS actuarial assumptions from the 2017 retirement plan valuation report |
| Salary scale | 3.50% |

Changes in Total OPEB Liability

The following details the changes in the Total OPEB liability:

| | | |
|---|----|----------------|
| Balance at 9/30/18 | \$ | 390,842 |
| Changes for the year: | | |
| Service cost | | 11,786 |
| Interest | | 15,460 |
| Change of benefit terms | | - |
| Difference between expected and actual experience | | - |
| Change of assumptions | | - |
| Benefit payments | | (20,086) |
| Net changes | | 7,160 |
| Balance at 9/30/19 | \$ | <u>398,002</u> |

NOTE 9: RETIREE HEALTH BENEFIT PLAN (OPEB) - (Continued)

Total OPEB Liability - (Continued)

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 5.00%, as well as what the City's Total OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

| | 1.0% Decrease in Discount Rate (4.00%) | Discount Rate (5.00%) | 1.0% Increase in Discount Rate (6.00%) |
|------------------------------|---|-----------------------|---|
| City's Total OPEB Liability: | \$359,780 | \$398,002 | \$442,688 |

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the Total OPEB Liability of the City, calculated using the trend rate of 4.06%, as well as what the City's Total OPEB Liability 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:

| | 1.0% Decrease in Trend Rate (3.06%) | Trend Rate (4.06%) | 1.0% Increase in Trend Rate (5.06%) |
|------------------------------|--|--------------------|--|
| City's Total OPEB Liability: | \$366,274 | \$398,002 | \$433,077 |

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

For the year ended September 30, 2019, the City recognized OPEB expense of \$27,246.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | \$ - |
| Changes in actuarial assumptions | - | - |
| Differences between projected and actual investments | - | - |
| Total | \$ - | \$ - |

Deferred outflows and inflows of resources to be recognized in future OPEB expense (excluding City contributions subsequent to the measurement date) are as follows:

| Year ended September 30: | OPEB Expense Amount |
|--------------------------|---------------------|
| 2019 | \$ - |
| 2020 | - |
| 2021 | - |
| 2022 | - |
| 2023 | - |
| Thereafter | - |
| Total | \$ - |

NOTE 10: LONG-TERM DEBT

A. Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2019, was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|--|----------------------|--------------|----------------|-------------------|------------------------|
| Governmental activities | | | | | |
| Bonds and certificates payable | | | | | |
| Certificates of obligation | \$ 8,192,765 | \$ - | \$ (484,990) | \$ 7,707,775 | \$ 498,900 |
| General obligation bonds | 4,887,052 | - | (205,809) | 4,681,243 | 228,261 |
| Total bonds and certificates payable | 13,079,817 | - | (690,799) | 12,389,018 | 727,161 |
| Bond premium | 712,782 | - | (61,511) | 651,271 | - |
| Compensated absences | 441,106 | 370,674 | (341,625) | 470,155 | 117,539 |
| OPEB liability | 642,169 | - | (21,497) | 620,672 | - |
| Net pension liability | 2,767,021 | 1,927,709 | - | 4,694,730 | - |
| Total governmental activity long-term liabilities | \$ 17,642,895 | \$ 2,298,383 | \$ (1,115,432) | \$ 18,825,846 | \$ 844,700 |
| Business-type activities | | | | | |
| Bonds and certificates payable | | | | | |
| Certificates of obligation | \$ 8,607,235 | \$ - | \$ (255,010) | \$ 8,352,225 | \$ 261,100 |
| General obligation bonds | 1,642,948 | - | (69,191) | 1,573,757 | 76,739 |
| Total bonds and certificates payable | 10,250,183 | - | (324,201) | 9,925,982 | 337,839 |
| Bond premium | 436,047 | - | (32,261) | 403,786 | - |
| State infrastructure note | 2,859,227 | - | (159,448) | 2,699,779 | 163,435 |
| Capital leases payable | 104,350 | - | (17,392) | 86,958 | 17,392 |
| Compensated absences | 58,443 | 84,387 | (75,277) | 67,553 | 67,553 |
| OPEB liability | 150,632 | 13,662 | - | 164,294 | - |
| Net pension liability | 649,054 | 593,651 | - | 1,242,705 | - |
| Total business-type activity long-term liabilities | \$ 14,507,936 | \$ 691,700 | \$ (608,579) | \$ 14,591,057 | \$ 586,219 |

For governmental activities, compensated absences, OPEB liability, and net pension liability are generally liquidated by the General Fund.

NOTE 10: LONG-TERM DEBT - (Continued)

B. Bonds and Certificates Payable - Governmental Activities

Bonds and certificates payable of the City's governmental activities at September 30, 2019, were comprised of the following individual issues:

| | |
|--|----------------------|
| 2006 Combination Certificates of Obligation due in annual installments ranging from \$30,000 to \$45,000 through August 1, 2021; interest rate at 4.10%. | \$ 90,000 |
| 2006-A Combination Certificates of Obligation due in annual installments ranging from \$167,436 to \$260,456 through August 1, 2021; interest rate at 4.12%. | 506,850 |
| 2015 Combination Certificates of Obligation due in annual installments ranging from \$184,400 to \$596,995 through August 1, 2035; interest rate at 3.39%. | 7,110,925 |
| 2016 General Obligation Refunding Bonds due in annual installments ranging from \$205,700 to \$680,680 through August 1, 2028; interest rate at 3.6%. | <u>4,681,243</u> |
| | <u>\$ 12,389,018</u> |

Annual debt service requirements to maturity for the City's governmental activity bonds and certificates are as follows:

| Year Ending September 30 | Principal | Interest | Total |
|-----------------------------|----------------------|---------------------|----------------------|
| 2020 | \$ 727,161 | \$ 432,504 | \$ 1,159,665 |
| 2021 | 745,722 | 408,367 | 1,154,089 |
| 2022 | 903,038 | 382,584 | 1,285,622 |
| 2023 | 947,672 | 348,209 | 1,295,881 |
| 2024 | 968,986 | 320,190 | 1,289,176 |
| 2025-2029 | 4,795,679 | 1,024,383 | 5,820,062 |
| 2030-2034 | 2,703,765 | 379,466 | 3,083,231 |
| 2035 | <u>596,995</u> | <u>20,895</u> | <u>617,890</u> |
| | <u>\$ 12,389,018</u> | <u>\$ 3,316,598</u> | <u>\$ 15,705,616</u> |

The City is scheduled to receive annual installments ranging from \$48,093 to \$65,676 from LEDC and annual installments ranging from \$170,304 to \$290,798 from Wastewater Utility Fund for the 2015 Combination Certificates of Obligation through August 1, 2035.

NOTE 10: LONG-TERM DEBT - (Continued)

C. Bonds and Certificates Payable - Business-type Activities

Bonds and certificates payable of the City's business-type activities at September 30, 2019, were comprised of the following individual issues:

| | |
|--|---------------------|
| 2006-A Combination Certificates of Obligation due in annual installments ranging from \$16,403 to \$19,544 through August 1, 2012; interest rate at 4.12%. | \$ 38,150 |
| 2015 Combination Certificates of Obligation due in annual installments ranging from \$215,600 to \$698,005 through August 1, 2035; interest rate at 3.39%. | 8,314,075 |
| 2016 General Obligation Refunding Bonds due in annual installments of \$69,300 to \$229,320 through February 1, 2028; interest rate at 3.60%. | <u>1,573,757</u> |
| | <u>\$ 9,925,982</u> |

The annual debt service requirements to maturity for the above-listed obligations of the City's business-type activities are as follows:

| Year Ending September 30 | Principal | Interest | Total |
|-----------------------------|---------------------|---------------------|----------------------|
| 2020 | \$ 337,839 | \$ 342,891 | \$ 680,730 |
| 2021 | 344,278 | 334,590 | 678,868 |
| 2022 | 606,962 | 324,041 | 931,003 |
| 2023 | 637,328 | 297,316 | 934,644 |
| 2024 | 656,014 | 275,147 | 931,161 |
| 2025-2029 | 3,484,321 | 980,754 | 4,465,075 |
| 2030-2034 | 3,161,235 | 443,671 | 3,604,906 |
| 2035 | <u>698,005</u> | <u>24,430</u> | <u>722,435</u> |
| | <u>\$ 9,925,982</u> | <u>\$ 3,022,840</u> | <u>\$ 12,948,822</u> |

NOTE 10: LONG-TERM DEBT - (Continued)

D. State Infrastructure Notes - Business-type Activities

2013 State Infrastructure Bank Loan is due in annual installments of \$230,000 through June 2033, interest rate of 2.5%.

Annual debt service requirements to maturity for the City's business-type activity State Infrastructure Notes are as follows:

| <u>Year Ending September 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------------------------------|---------------------|-------------------|---------------------|
| 2020 | \$ 163,435 | \$ 67,494 | \$ 230,929 |
| 2021 | 167,521 | 63,409 | 230,930 |
| 2022 | 171,709 | 59,221 | 230,930 |
| 2023 | 176,002 | 54,928 | 230,930 |
| 2024 | 180,402 | 50,528 | 230,930 |
| 2025-2029 | 971,959 | 182,691 | 1,154,650 |
| 2030-2033 | 868,751 | 54,967 | 923,718 |
| | <u>\$ 2,699,779</u> | <u>\$ 533,238</u> | <u>\$ 3,233,017</u> |

E. Capital Lease - Business-type Activities

The City has entered into a lease agreement to purchase EMS and physio equipment from Stryker Sales Corporation. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

The assets acquired through the capital lease are as follows:

| | |
|--------------------------------|-------------------------------------|
| | <u>Business-type Activities</u> |
| Machinery and equipment | \$ 121,741 |
| | 121,741 |
| Less: Accumulated depreciation | (28,986) |
| | <u>\$ 92,755</u> |

NOTE 10: LONG-TERM DEBT - (Continued)

E. Capital Lease - Business-type Activities - (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2019, are as follows:

| <u>Year Ending September 30</u> | <u>Business-type Activities</u> |
|---|-------------------------------------|
| 2020 | \$ 17,392 |
| 2021 | 17,392 |
| 2022 | 17,392 |
| 2023 | 17,391 |
| 2024 | <u>17,391</u> |
| Total minimum lease payments | 86,958 |
| Less: Amount representing interest | - |
| Present value of minimum lease payments | <u>\$ 86,958</u> |

F. Debt Reserves

There are certain reserve requirements for the various debt issues that are currently outstanding. The following are the reserve requirements by issue:

| | <u>Reserve Requirement</u> |
|--|--------------------------------|
| 2006 Combination Certificates of Obligation | \$ 1,800 |
| 2006A Combination Certificates of Obligation | 10,900 |
| 2015 Combination Certificates of Obligation | 308,500 |
| 2016 General Obligation Refunding Bonds | <u>125,100</u> |
| | <u>\$ 446,300</u> |

The cash balances reserved for the reserve requirements are as follows:

| <u>Fund</u> | <u>Cash</u> |
|-------------------------|-------------------|
| Debt Service I & S Fund | \$ 203,016 |
| Water Utility Fund | <u>243,284</u> |
| | <u>\$ 446,300</u> |

NOTE 11: CONDUIT DEBT OBLIGATIONS

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 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, 2019, there was \$3,680,000 bonds outstanding. Through the agreement, the City has agreed to pay GBRA on an annual basis for twenty-five years the following:

(a.) principal and interest on any bonds issued to pay off the financing, refinancing, design, permitting, construction, and equipping the project; (b.) operation and maintenance of the water delivery system; (c.) operation and maintenance of the Luling Water Treatment Plant; (d.) reserve and contingency fund payments, if any; and (e.) capital recovery charges.

NOTE 12: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended September 30, 2019, the City purchased insurance through the Texas Municipal League (TML) to cover its risk of loss in these areas. Substantially all risk of loss for events occurring during the current year has been transferred to TML by the payment of insurance premiums. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

The City has also entered into an interlocal agreement with the TML Group Benefits Risk Pool for health insurance for its employees. The City pays the health care premiums for City employees. Employees have the option of paying dependent coverage via payroll deductions. The City has no liability for any claims incurred by participants in this plan.

NOTE 13: RELATED PARTY TRANSACTIONS

During the fiscal year ending September 30, 2019, LEDC (a discretely presented component unit of the City) transferred a total of \$92,168 to the City. The City's Debt Service Fund, a nonmajor governmental fund, received \$48,044 to be used to pay debt service costs related to qualifying economic development projects previously paid for by debt issued by the City. The remaining transfers pertained to the reimbursement of eligible current period expenditures incurred by the City related to economic development activities and administrative services provided to LEDC by the City.

NOTE 14: CONTINGENCIES AND COMMITMENTS

A. Litigation

The City was not involved in any significant litigation as of September 30, 2019, and management was not aware of any threatened litigation or unasserted claims as of that date.

B. Grant Programs

The City participates in grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any monies received may be required, and the collectibility of any related receivables at September 30, 2019, may be impaired. In the opinion of the administration of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the City's various grant programs.

C. 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. Construction Commitments

As of September 30, 2019, the City had entered into contractual commitments with contractors for various City projects. The commitments with contractors were as follows:

| <u>Project Description</u> | <u>Remaining Commitment</u> |
|--|---------------------------------|
| SH 130 Water Main Project Phase II | \$ 438,481 |
| TCEQ 319 Stormwater/Town Branch | |
| Urban Trail Riparian Grant Project | 116,804 |
| City Line Road Pump Station | 1,011,500 |
| City of Lockhart Water Treatment Plant | |
| Electrical Improvements | <u>237,000</u> |
| | <u>\$ 1,803,785</u> |
| | |
| <u>Funding Source</u> | <u>Amount</u> |
| Unspent bond proceeds | \$ 1,449,981 |
| Grant reimbursements | 94,021 |
| Designated funds | <u>259,783</u> |
| | <u>\$ 1,803,785</u> |

NOTE 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A. Interfund Receivables and Payables

At times during the fiscal year the various funds of the City were involved in transactions that created interfund receivable and payable balances. These transactions related to such things as the purchase of goods by one fund on behalf of another and the receipt of revenue in one fund that belongs to or is designated for another fund. Interfund receivable and payable balances as of September 30, 2019, were as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|-----------------------|------------------|
| General | Nonmajor Governmental | <u>\$ 32,420</u> |

B. Interfund Transfers

Each year various funds of the City transfer funds to other funds. These transfers are intended to provide the necessary resources to meet the operating and debt service obligations of the receiving funds. During the current fiscal year, transfers between funds consisted of the following:

| <u>Transfers Out</u> | <u>Transfers In</u> | | | <u>Total</u> |
|------------------------|---------------------|-------------------|-----------------------|--------------------|
| | <u>General</u> | <u>Water</u> | <u>Nonmajor Govt.</u> | |
| General | \$ - | \$ - | \$ 97,317 | \$ 97,317 |
| Nonmajor govt. | 514,208 | - | 140,000 | 654,208 |
| Electric | 2,077,251 | - | - | 2,077,251 |
| Water | 4,805 | - | - | 4,805 |
| Wastewater | 490,646 | 133,787 | 186,302 | 810,735 |
| Nonmajor business-type | 285,738 | - | - | 285,738 |
| | <u>\$ 3,372,648</u> | <u>\$ 133,787</u> | <u>\$ 423,619</u> | <u>\$3,930,054</u> |

NOTE 16: FUND BALANCES

The following is a detail of the governmental fund balances as of September 30, 2019:

| | <u>Governmental Fund Balances</u> | | | | |
|--------------------------|-----------------------------------|---------------------|-------------------|---------------------|---------------------|
| | <u>Nonspendable</u> | <u>Restricted</u> | <u>Committed</u> | <u>Unassigned</u> | <u>Total</u> |
| General | | | | | |
| Prepaid expenditures | \$ 30,627 | \$ - | \$ - | \$ - | \$ 30,627 |
| Inventory | 13,572 | - | - | - | 13,572 |
| Sidewalks | - | - | 51,967 | - | 51,967 |
| Revolving loan | - | - | 269,128 | - | 269,128 |
| Industrial park | - | - | 253,351 | - | 253,351 |
| Unassigned | - | - | - | 5,103,853 | 5,103,853 |
| 2015 Cert. of Oblig. | | | | | |
| Various capital projects | - | 3,117,146 | - | - | 3,117,146 |
| Nonmajor Governmental | | | | | |
| Various capital projects | - | 320,049 | - | - | 320,049 |
| General government | - | 46,502 | - | - | 46,502 |
| Tourism | - | 6,637 | - | - | 6,637 |
| Public safety | - | 206,600 | - | - | 206,600 |
| Public works | - | 1,073,692 | - | - | 1,073,692 |
| Debt service | - | 203,016 | - | - | 203,016 |
| Unassigned | - | - | - | (3,523) | (3,523) |
| | <u>\$ 44,199</u> | <u>\$ 4,973,642</u> | <u>\$ 574,446</u> | <u>\$ 5,100,330</u> | <u>\$10,692,617</u> |

NOTE 17: TAX ABATEMENTS AND REBATES

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. For the fiscal year ended September 30, 2019, the City of Lockhart rebated sales taxes totaling \$1,658 under this program. The City also rebated property taxes in fiscal year 2019 totaling \$60,724. The following tax rebate agreements exceeded 10 percent of the total amount rebated:

\$1,658 (50%) was rebated to a glass and mirror manufacturing company for sales tax and \$13,467 in property taxes on new improvements to building and furniture, fixtures and equipment. \$31,170 of property tax rebates were paid to the same company for improvements made to real property (53.6%-2015; 84.96%-2016; 77.48%-2017; 75.0%-2018) over the last four years and 100% on furniture, fixtures and equipment.

\$15,811 (100%) of real property and personal property taxes was rebated to a manufacturing company that produces investment castings in ferrous and non-ferrous materials for purchasing land and building for manufacturing and distribution facility.

NOTE 18: RESTATEMENTS OF BEGINNING BALANCES

The City's proprietary fund financial statements for the fiscal year September 30, 2018 have been restated to properly reflect the receivable and unrestricted net position balances for fiscal year ending September 30, 2018. The results of the restatements were to increase the receivable balance and the unrestricted net position of the Water Fund by \$133,943 and \$133,943, respectively and decrease the receivable balance and the unrestricted net position of the Wastewater Fund by \$133,943 and \$133,943, respectively. There were no restatements necessary for the government-wide financial statements for the business-type activities.

NOTE 19: LOCKHART ECONOMIC DEVELOPMENT CORPORATION

As described in Note 1, the Lockhart Economic Development Corporation is a component unit of the City. It is reported in a separate column to emphasize that it is legally separate for accounting purposes from the City. Following are note disclosures relating to this component unit:

A. Organization

The Lockhart Economic Development Corporation (LEDC), a public instrumentality and nonprofit corporation, was created under Section 4B of the Development Corporation Act of 1979, Article 5190.6 of the Revised Civil Statutes of Texas (the "Act") on June 26, 1996. 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.

LEDC prepares annual financial statements as of September 30th of each year. LEDC reports its financial results as a governmental type of entity.

B. Summary of Significant Accounting Policies

The accounting and reporting policies of LEDC conform to GAAP, as applicable to governmental units. The more significant of LEDC's accounting policies are described below.

1. Reporting Entity - Component Unit Status

LEDC meets the criteria established by GASB to be a component unit of the City, due to the fact that the City Council of Lockhart appoints each member of its Board of Directors. LEDC is included in the City's annual financial statements as a discretely presented component unit.

NOTE 19: LOCKHART ECONOMIC DEVELOPMENT CORPORATION - (Continued)

B. Summary of Significant Accounting Policies - (Continued)

2. Government-wide and Fund Accounting

The combined government-wide and fund financial statements (i.e., the Statement of Net Position and Governmental Fund Balance Sheet and the Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance) report information on all activities of LEDC.

The combined Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance demonstrate the degree to which the direct expenses of LEDC are offset by program revenues. Direct expenses are those that are clearly identifiable with the LEDC's specific function, that of economic development. Program revenues include a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. For the year ended September 30, 2019, all of LEDC's revenues were classified as general revenues.

The government-wide and fund financial statements are provided for LEDC with a column for adjustments between the two statements.

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide information (i.e., the columns labeled "Statement of Net Position" and "Statement of Activities") in the financial statements is 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.

The governmental fund (i.e., the column labeled "General 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, LEDC considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred.

Sales taxes and interest revenue 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. All other revenue items are considered to be measurable and available only when LEDC receives cash.

The Corporation reports the following governmental fund type:

General Fund - The General Fund is LEDC's operating fund. All financial resources are accounted for in the General Fund. The General Fund's transactions consist primarily of revenues realized from the collection of sales tax revenue dedicated to the purpose of economic development and transfers to the City (reported as economic development expenditures) to be used for purposes authorized by LEDC's enabling legislation.

LEDC reports no other funds.

NOTE 19: LOCKHART ECONOMIC DEVELOPMENT CORPORATION - (Continued)

B. Summary of Significant Accounting Policies - (Continued)

4. Cash, Cash Equivalents, and Investments

Cash includes all amounts on deposit with financial institutions in demand accounts. All short-term investments that are highly liquid are considered to be cash equivalents. An investment is considered highly liquid if it is convertible to a known amount of cash and has a maturity date of no longer than three months from the date the investment was purchased.

LEDC may invest in any instruments authorized by the Public Funds Investment Act of the State of Texas. These instruments include, but are not limited to, the following: obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies and instrumentalities; certificates of deposit issued by state or national banks which are guaranteed or insured by the FDIC; and deposits in statewide investment pools which meet certain restrictive criteria. LEDC reports its investments at fair value.

5. Budgets and Budgetary Accounting

The Board of Directors submits an annual budget to the City for approval in accordance with the Texas Municipal Budget Act. By September of each year, the Board of Directors, with approval by the City, adopts an annual fiscal year budget for the General Fund. Once approved, the Board of Directors may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

The budget of LEDC is prepared on a modified accrual basis of accounting. Revenues are budgeted in the year receipts are expected, and expenditures are budgeted in the year that the applicable purchase occurs. Any unencumbered appropriations for annually budgeted funds lapse at fiscal year-end.

6. Federal Income Taxes

LEDC is exempt from Federal income taxes due to its classification as a governmental entity under the guidelines of the Internal Revenue Service.

7. Use of Estimates

The preparation of the government-wide and fund financial statements in conformity with GAAP requires LEDC to make estimates and assessments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 19: LOCKHART ECONOMIC DEVELOPMENT CORPORATION - (Continued)

C. Deposits and Investments

LEDC pools its funds with the City for investment, and as such, follows the City's policies and procedures pertaining to investment transactions. Following is a discussion of various risks associated with the City's (and accordingly LEDC's) investments as of and for the year ending September 30, 2019:

1. 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 to one year or less from the time of purchase.

2. Credit Risk

As previously mentioned, it is LEDC's policy to limit its investments 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, 2019, TexPool was rated AAAM by Standard and Poor's and MBIA Texas CLASS was rated AAA/V-1+ by Fitch.

3. Concentration of 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. As such, at year-end LEDC was not exposed to concentration of credit risk.

4. Custodial Credit Risk - Deposits

Custodial credit risk refers to the risk that in the event of a bank failure, LEDC's deposits may not be returned to it. The City's investment policies require 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. As of September 30, 2019, and for the year then ended, the City and LEDC were not exposed to any custodial credit risk.

It is managements' understanding that the LEDC, a discretely presented component unit, and any other 4A and 4B economic development entity is not considered a "political subdivision" as defined by Section 330.15 of the FDIC's regulation. Therefore, the Corporation's bank deposits may not be insured above \$250,000 even though they are secured by the pledged collateral agreement of the City.

5. 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 securities be held in the name of the City and that all securities are purchased using the delivery versus payment method. As of September 30, 2019, and for the year then ended, the City and LEDC were not exposed to any custodial credit risk.

NOTE 19: LOCKHART ECONOMIC DEVELOPMENT CORPORATION - (Continued)

D. Sales Taxes

LEDC, by law, is to receive one-half cent of the sales tax earned by the City and paid monthly to the City by the State of Texas. LEDC's outstanding receivable of the sales tax earned by the City for the year ended September 30, 2019, was \$152,947. The City collects the sales tax from the State of Texas and then pays LEDC's portion monthly when collected.

E. Restricted Net Position

The legislation under which LEDC was created restricts the use of sales tax revenue received by LEDC to projects related to quality of life improvements, including economic development that will attract and retain primary employers. Some of the types of projects authorized in the legislation are listed previously. There were no restrictions on LEDC's net position as of September 30, 2019, other than those imposed through the enabling legislation.

F. Inventory

Inventory consists of various tracts of land that LEDC has purchased to be used for future economic development projects. There was no change in the inventory from the previous year.

G. Capital Assets

The LEDC's capital asset activity for the year ended September 30, 2019 was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|---|------------------------------|--------------------|------------------|---------------------------|
| Discretely presented component unit | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 108,000 | \$ - | \$ - | \$ 108,000 |
| Total capital assets not being depreciated | <u>108,000</u> | <u>-</u> | <u>-</u> | <u>108,000</u> |
| Capital assets, being depreciated | | | | |
| Buildings | 612,000 | - | - | 612,000 |
| Total capital assets being depreciated | <u>612,000</u> | <u>-</u> | <u>-</u> | <u>612,000</u> |
| Less accumulated depreciation for | | | | |
| Buildings | 85,680 | 12,240 | - | 97,920 |
| Total accumulated depreciation | <u>85,680</u> | <u>12,240</u> | <u>-</u> | <u>97,920</u> |
| Total capital assets being depreciated, net | <u>526,320</u> | <u>(12,240)</u> | <u>-</u> | <u>514,080</u> |
| Discretely presented component unit capital assets, net | <u>\$ 634,320</u> | <u>\$ (12,240)</u> | <u>\$ -</u> | <u>\$ 622,080</u> |

Depreciation expense was charged to functions/programs of the LEDC as follows:

Discretely presented component unit

| | |
|--------------------|------------------|
| General government | <u>\$ 12,240</u> |
|--------------------|------------------|

NOTE 19: LOCKHART ECONOMIC DEVELOPMENT CORPORATION - (Continued)

H. Long-Term Debt

An analysis of changes in long term-debt is as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|--|------------------------------|------------------|--------------------|---------------------------|--------------------------------|
| Discretely presented component unit | | | | | |
| Notes payable | \$ 184,169 | \$ - | \$ (19,569) | \$ 164,600 | \$ 21,060 |
| Compensated absences | 1,026 | 3,003 | (2,215) | 1,814 | 1,814 |
| Total discretely presented component unit | <u>\$ 185,195</u> | <u>\$ 3,003</u> | <u>\$ (21,784)</u> | <u>\$ 166,414</u> | <u>\$ 22,874</u> |

Maturities of long term-debt is as follows:

| | <u>Year Ending September 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------|-------------------------------------|------------------|-------------------|--------------|
| 2020 | \$ 21,060 | \$ 8,332 | \$ 29,392 | |
| 2021 | 22,083 | 7,364 | 29,447 | |
| 2022 | 23,155 | 6,342 | 29,497 | |
| 2023 | 24,279 | 5,269 | 29,548 | |
| 2024 | 25,457 | 4,145 | 29,602 | |
| 2025-2026 | <u>48,566</u> | <u>5,149</u> | <u>53,715</u> | |
| | <u>\$ 164,600</u> | <u>\$ 36,601</u> | <u>\$ 201,201</u> | |

H. Contingencies and Commitments

1. Litigation

LEDC was not involved in any litigation as of September 30, 2019, and management was not aware of any threatened litigation or unasserted claims as of that date.

2. Commitments

The LEDC is scheduled to make annual installments ranging from \$48,093 to \$65,676 to the City for the 2015 Combination Certificates of Obligation through August 1, 2035.

J. Tax Abatements and Rebates

The Lockhart Economic Development Corporation enters into tax rebate agreements with local businesses under the state local government code, title 12, subtitle C1, chapter 505. Under the code, the governing body of a municipality may create a Type B corporation and provide for the administration of one or more programs, including programs for making loans or grants of public money to promote state or local economic development and to stimulate business and commercial activity in the municipality. For the fiscal year ended September 30, 2019, the Lockhart Economic Development Corporation rebated sales taxes totaling \$829 under this program, including the following tax rebate agreement that exceeded 10 percent of the total amount rebated:

A 50 percent sales tax rebate to a glass and mirror manufacturing company for purchasing land and building a manufacturing and distribution facility. The rebate amounted to \$829.

Required Supplementary Information

CITY OF LOCKHART, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

GENERAL FUND

For the year ended September 30, 2019

With comparative totals for the year ended September 30, 2018

| | 2019 | | | Variance Positive (Negative) | 2018 Actual |
|---|---------------------|---------------------|---------------------|------------------------------------|---------------------|
| | Original Budget | Final Budget | Actual | | |
| REVENUES | | | | | |
| Property taxes | \$ 3,852,335 | \$ 3,852,335 | \$ 3,966,993 | \$ 114,658 | \$ 3,642,474 |
| Sales and other taxes | 1,966,053 | 1,966,053 | 2,126,764 | 160,711 | 2,013,845 |
| Fines, fees, and forfeitures | 323,252 | 323,252 | 380,777 | 57,525 | 364,423 |
| Licenses and permits | 185,846 | 185,846 | 142,721 | (43,125) | 192,622 |
| Intergovernmental and grants | 248,137 | 248,137 | 403,677 | 155,540 | 323,298 |
| Charges for services | 2,011 | 2,011 | 2,200 | 189 | 2,200 |
| Investment | 49,200 | 49,200 | 141,431 | 92,231 | 89,701 |
| Miscellaneous | 219,358 | 219,358 | 171,980 | (47,378) | 261,484 |
| Total revenues | <u>6,846,192</u> | <u>6,846,192</u> | <u>7,336,543</u> | <u>490,351</u> | <u>6,890,047</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | 2,377,790 | 2,377,790 | 2,064,894 | 312,896 | 1,891,347 |
| Public safety | 5,367,254 | 5,367,254 | 5,392,107 | (24,853) | 4,978,250 |
| Public works | 1,592,822 | 1,592,822 | 1,570,235 | 22,587 | 1,593,994 |
| Health and welfare | 10,922 | 10,922 | 13,320 | (2,398) | 11,396 |
| Culture and recreation | 1,051,522 | 1,051,522 | 903,261 | 148,261 | 938,896 |
| Capital outlay | 494,747 | 494,747 | - | 494,747 | 126,365 |
| Total expenditures | <u>10,895,057</u> | <u>10,895,057</u> | <u>9,943,817</u> | <u>951,240</u> | <u>9,540,248</u> |
| Excess (deficiency) of revenues over expenditures | (4,048,865) | (4,048,865) | (2,607,274) | 1,441,591 | (2,650,201) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 3,366,208 | 3,366,208 | 3,372,648 | 6,440 | 3,333,060 |
| Transfers out | (97,317) | (97,317) | (97,317) | - | (95,613) |
| Total other financing sources (uses) | <u>3,268,891</u> | <u>3,268,891</u> | <u>3,275,331</u> | <u>6,440</u> | <u>3,237,447</u> |
| Net change in fund balance | (779,974) | (779,974) | 668,057 | 1,448,031 | 587,246 |
| Fund balance - beginning | 5,054,441 | 5,054,441 | 5,054,441 | - | 4,467,195 |
| Fund balance - ending | <u>\$ 4,274,467</u> | <u>\$ 4,274,467</u> | <u>\$ 5,722,498</u> | <u>\$ 1,448,031</u> | <u>\$ 5,054,441</u> |

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF LOCKHART, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

TEXAS MUNICIPAL RETIREMENT SYSTEM - PENSION

Last ten years

| | Measurement Year | | |
|---|------------------|---------------|---------------|
| | 2014 | 2015 | 2016 |
| Total Pension Liability | | | |
| Service cost | \$ 659,622 | \$ 755,292 | \$ 809,909 |
| Interest (on the total pension liability) | 1,759,695 | 1,840,606 | 1,924,544 |
| Difference between expected and actual experience | (275,265) | 541,546 | 213,804 |
| Change of assumptions | - | 143,888 | - |
| Benefit payments, including refunds of employee contributions | (987,219) | (1,084,811) | (1,097,681) |
| Net Change in Total Pension Liability | 1,156,833 | 2,196,521 | 1,850,576 |
| Total Pension Liability - Beginning | 25,302,299 | 26,459,132 | 28,655,653 |
| Total Pension Liability - Ending (a) | \$ 26,459,132 | \$ 28,655,653 | \$ 30,506,229 |
| Plan Fiduciary Net Position | | | |
| Contributions - Employer | \$ 662,456 | \$ 721,903 | \$ 708,591 |
| Contributions - Employee | 321,581 | 352,824 | 358,731 |
| Net investment income | 1,282,369 | 34,935 | 1,599,743 |
| Benefit payments, including refunds of employee contributions | (987,219) | (1,084,811) | (1,097,681) |
| Administrative expense | (13,388) | (21,283) | (18,076) |
| Other | (1,101) | (1,051) | (974) |
| Net Change in Plan Fiduciary Net Position | 1,264,698 | 2,517 | 1,550,334 |
| Plan Fiduciary Net Position - Beginning | 22,415,156 | 23,679,854 | 23,682,371 |
| Plan Fiduciary Net Position - Ending (b) | \$ 23,679,854 | \$ 23,682,371 | \$ 25,232,705 |
| Net Pension Liability - Ending (a) - (b) | \$ 2,779,278 | \$ 4,973,282 | \$ 5,273,524 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 89.50% | 82.64% | 82.71% |
| Covered Payroll | \$ 5,359,686 | \$ 5,730,595 | \$ 5,937,749 |
| Net Pension Liability as a Percentage of Covered Payroll | 51.86% | 86.78% | 88.81% |

NOTE: Information for the prior five years was not readily available. The City will compile the respective information over the next five years as provided by TMRS on a "measurement date" basis.

The accompanying notes to required supplementary information are an integral part of this schedule.

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| Measurement Year | |
|----------------------|----------------------|
| 2017 | 2018 |
| \$ 803,650 | \$ 861,176 |
| 2,050,665 | 2,158,275 |
| (95,374) | (144,312) |
| - | - |
| <u>(1,055,658)</u> | <u>(1,331,302)</u> |
| 1,703,283 | 1,543,837 |
| <u>30,506,229</u> | <u>32,209,512</u> |
| <u>\$ 32,209,512</u> | <u>\$ 33,753,349</u> |
| | |
| \$ 779,767 | \$ 848,460 |
| 358,239 | 385,314 |
| 3,497,425 | (862,453) |
| (1,055,658) | (1,331,302) |
| (18,124) | (16,669) |
| <u>(918)</u> | <u>(872)</u> |
| 3,560,731 | (977,522) |
| <u>25,232,705</u> | <u>28,793,436</u> |
| <u>\$ 28,793,436</u> | <u>\$ 27,815,914</u> |
| | |
| <u>\$ 3,416,076</u> | <u>\$ 5,937,435</u> |
| | |
| 89.39% | 82.41% |
| \$ 5,970,653 | \$ 6,421,896 |
| | |
| 57.21% | 92.46% |

CITY OF LOCKHART, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM - PENSION
Last ten fiscal years

| | Fiscal Year | | |
|---|------------------|------------------|------------------|
| | 2015 | 2016 | 2017 |
| Actuarially Determined Contribution | \$ 692,664 | \$ 734,637 | \$ 754,327 |
| Contribution in relation to the actuarially determined contribution | <u>(692,664)</u> | <u>(734,637)</u> | <u>(754,327)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 5,617,224 | \$ 6,129,529 | \$ 5,911,532 |
| Contributions as a percentage of covered payroll | 12.33% | 11.99% | 12.76% |

NOTE: Information for the prior five fiscal years was not readily available. The City will compile the respective information over the next five fiscal years.

The accompanying notes to required supplementary information are an integral part of this schedule.

| Fiscal Year | |
|------------------|------------------|
| 2018 | 2019 |
| \$ 829,948 | \$ 872,807 |
| <u>(829,948)</u> | <u>(872,807)</u> |
| \$ - | \$ - |
| \$ 6,300,160 | \$ 6,687,118 |
| 13.17% | 13.05% |

CITY OF LOCKHART, TEXAS

*SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFIT
Last ten years*

| | Measurement Year | |
|--|-------------------|-------------------|
| | 2017 | 2018 |
| Total OPEB Liability | | |
| Service cost | \$ 15,524 | \$ 19,266 |
| Interest (on the total OPEB liability) | 13,276 | 13,571 |
| Change of benefit terms | - | - |
| Difference between expected and actual experience | - | (17,158) |
| Change of assumptions | 31,482 | (27,464) |
| Benefit payments | <u>(3,582)</u> | <u>(3,211)</u> |
| Net Change in Total OPEB Liability | 56,700 | (14,996) |
| Total OPEB Liability - Beginning | <u>345,259</u> | <u>401,959</u> |
| Total OPEB Liability - Ending | <u>\$ 401,959</u> | <u>\$ 386,963</u> |
| Covered Payroll | \$ 5,970,653 | \$ 6,421,896 |
| Total OPEB Liability as a Percentage of Covered Payroll | 6.73% | 6.03% |

NOTE: Information for the prior eight years was not readily available. The City will compile the respective information over the next eight years as provided by TMRS on a "measurement date" basis.

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF LOCKHART, TEXAS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFIT

Last ten fiscal years

| | Fiscal Year | |
|---|----------------|----------------|
| | 2018 | 2019 |
| Actuarially Determined Contribution | \$ 3,303 | \$ 3,344 |
| Contribution in relation to the actuarially determined contribution | <u>(3,303)</u> | <u>(3,344)</u> |
| Contribution deficiency (excess) | \$ <u>-</u> | \$ <u>-</u> |
| Covered payroll | \$ 6,300,160 | \$ 6,687,118 |
| Contributions as a percentage of covered payroll | 0.0524% | 0.0500% |

NOTE: Information for the prior eight years was not readily available. The City will compile the respective information over the next eight years.

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF LOCKHART, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

RETIREE HEALTHCARE

Last ten years

| | Measurement Year | |
|--|-------------------|-------------------|
| | 2018 | 2019 |
| Total OPEB Liability | | |
| Service cost | \$ 11,326 | \$ 11,786 |
| Interest (on the total OPEB liability) | 15,641 | 15,460 |
| Change of benefit terms | - | - |
| Difference between expected and actual experience | - | - |
| Change of assumptions | - | - |
| Benefit payments | <u>(20,086)</u> | <u>(20,086)</u> |
| Net Change in Total OPEB Liability | 6,881 | 7,160 |
| Total OPEB Liability - Beginning | <u>383,961</u> | <u>390,842</u> |
| Total OPEB Liability - Ending | <u>\$ 390,842</u> | <u>\$ 398,002</u> |
| | | |
| Covered Payroll | \$ 3,778,438 | \$ 3,778,438 |
| | | |
| Total OPEB Liability as a Percentage of Covered Payroll | 10.34% | 10.53% |

NOTE: Information for the prior eight years was not readily available. The City will compile the respective information over the next eight years as provided by actuaries on a "measurement date" basis.

The accompanying notes to required supplementary information are an integral part of this schedule.

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

The City annually adopts budgets that are prepared using the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

NOTE 2: BUDGETARY LEGAL COMPLIANCE

For the year ended September 30, 2019 the City complied with budgetary restrictions.

NOTE 3: DEFINED BENEFIT PENSION PLAN

Valuation Date

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 | 27 years |
| Asset Valuation Method | 10 year Smoothed Market; 15% Soft Corridor |
| Inflation | 2.50% |
| Salary Increases | 3.50% to 10.50% 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 2015 valuation pursuant to an experience study of the period 2010-2014 |
| Mortality | RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale 8B. |

Other Information

There were no benefit changes during the year.

NOTE 4: SUPPLEMENTAL DEATH BENEFIT PLAN - OPEB

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

There were no changes in plan provisions or assumptions during the year.

NOTE 5: RETIREE HEALTH BENEFIT PLAN - OPEB

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

There were no changes in plan provisions or assumptions during the year.

Combining and Individual Fund Statements and Schedules

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Radio Tower Equipment Replacement - Used to account for funds received for the specific use of repairs and replacement costs associated with the City-owned radio communication tower.

Forfeited Property - Accounts for items seized by the City through the police department as a result of criminal investigations. The funds are used for one-time equipment purchases and other purchases to assist in police activities.

Hotel/Motel Occupancy Tax - Accounts for the collection of hotel and motel taxes collected within the City. The City uses these funds to directly enhance and promote tourism and the convention and hotel industry or other expenses as approved by State law.

TCEQ/NPS Grant - Accounts for funds received in order for the City to conduct air quality activities within the City. This includes the identifying, inventorying, and monitoring of current air pollution levels; the modeling of future air pollution levels; and the identification and quantification of potential pollution through voluntary controls.

Road Impact Fees #1 - Accounts for funds received from a fee for roadway imposed on new development by the City pursuant to Chapter 13 of the City of Lockhart's Code of Ordinances, in order to generate revenue to fund or recoup all or part of the costs of capital improvements or facility expansion necessitated by and attributable to such new development in an area known as area #1.

Road Impact Fees #2 - Accounts for funds received from a fee for roadway imposed on new development by the City pursuant to Chapter 13 of the City of Lockhart's Code of Ordinances, in order to generate revenue to fund or recoup all or part of the costs of capital improvements or facility expansion necessitated by and attributable to such new development in an area known as area #2.

Municipal Court Technology - Accounts for fees collected on conviction of certain municipal court offenses and funds are intended to enhance this specific area.

Radio System Maintenance - Accounts for funds received from radio communication system participants to cover costs associated directly or indirectly with the radio communication system.

Municipal Court Security - Accounts for fees collected on conviction of certain municipal court offenses and funds are intended to enhance this specific area.

Child Safety - Accounts for fees collected on conviction of certain municipal court offenses and funds are intended to enhance this specific area.

Court Efficiency - Accounts for fees collected on conviction of certain municipal court offenses and funds are intended to enhance this specific area.

Juvenile Case Manager - Accounts for fees collected on conviction of certain municipal court offenses and funds are intended to enhance this specific area.

Truancy Court - Accounts for fees collected on conviction of certain municipal court offenses and funds are intended to enhance this specific area.

Cable Education (PEG) - Accounts for one percent cable franchise fee, which is dedicated to capital assets associated to the operation of a public, education and government television channel.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - (Continued)

Transportation System Improvements - Accounts for monies received from fees collected for the improvement and construction of City streets.

Drainage System Improvements - Accounts for monies received from fees collected for the improvement and construction of City's drainage system.

Law Enforcement Education (LEOSE) - Accounts for funds received to provide for the continuing education of persons licensed under Chapter 1701, Occupations Code, or to provide the necessary training, as determined by the agency head, to full-time, fully paid law enforcement support personnel.

Debt Service Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for general government debt principal and interest.

Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities or other capital assets. Capital Project Funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Clearfork Detention Basin - Accounts for funds in escrow for Contractor of Clearfork Subdivision.

Clearfork Section 1 Sidewalk - Accounts for funds for future development of public sidewalks from developer of Meadows at Clearfork in lieu of construction.

Maple 2201 Trail Project - Accounts for funds for future development of public sidewalk and trail along Cesar Chavez Parkway from developer at 2201 Maple Street in lieu of construction.

2009 Certificates of Obligation - Accounts for the proceeds and expenditures of the City's 2009 Certificates of Obligation.

CITY OF LOCKHART, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2019

| | Total Nonmajor Special Revenue Funds | Total Nonmajor Debt Service Fund | Total Nonmajor Capital Project Funds | Total |
|--|---|---|---|---------------------|
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | \$ 1,232,430 | \$ 202,062 | \$ 320,049 | \$ 1,754,541 |
| Receivables (net) | 157,721 | 58,298 | - | 216,019 |
| Prepaid expenditures | 10,579 | - | - | 10,579 |
| Total assets | \$ 1,400,730 | \$ 260,360 | \$ 320,049 | \$ 1,981,139 |
| LIABILITIES | | | | |
| Accounts payable | \$ 28,167 | \$ - | \$ - | \$ 28,167 |
| Due to other funds | 32,420 | - | - | 32,420 |
| Total liabilities | 60,587 | - | - | 60,587 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue | 10,235 | 57,344 | - | 67,579 |
| Total deferred inflows of resources | 10,235 | 57,344 | - | 67,579 |
| FUND BALANCES | | | | |
| Restricted | | | | |
| General government | 46,502 | - | - | 46,502 |
| Tourism | 6,637 | - | - | 6,637 |
| Public safety | 206,600 | - | - | 206,600 |
| Public works | 1,073,692 | - | - | 1,073,692 |
| Debt service | - | 203,016 | - | 203,016 |
| Various capital projects | - | - | 320,049 | 320,049 |
| Unassigned | (3,523) | - | - | (3,523) |
| Total fund balances | 1,329,908 | 203,016 | 320,049 | 1,852,973 |
| Total liabilities, deferred inflows and fund balances | \$ 1,400,730 | \$ 260,360 | \$ 320,049 | \$ 1,981,139 |

CITY OF LOCKHART, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2019

| | Total Nonmajor Special Revenue Funds | Total Nonmajor Debt Service Fund | Total Nonmajor Capital Project Funds | Total |
|--|---|---|---|---------------------|
| REVENUES | | | | |
| Property taxes | \$ - | \$ 709,460 | \$ - | \$ 709,460 |
| Sales and other taxes | 112,714 | - | - | 112,714 |
| Fines, fees, and forfeitures | 747,221 | - | - | 747,221 |
| Intergovernmental and grants | 150,677 | - | - | 150,677 |
| Investment | 27,300 | 15,090 | 7,340 | 49,730 |
| Miscellaneous | - | 59,498 | 43,965 | 103,463 |
| Total revenues | <u>1,037,912</u> | <u>784,048</u> | <u>51,305</u> | <u>1,873,265</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 43,043 | - | - | 43,043 |
| Public safety | 239,399 | - | - | 239,399 |
| Public works | 30,766 | - | - | 30,766 |
| Culture and recreation | 9,478 | - | - | 9,478 |
| Capital outlay | - | - | 23,043 | 23,043 |
| Debt service | | | | |
| Principal retirement | - | 690,799 | - | 690,799 |
| Interest and fiscal charges | - | 456,409 | - | 456,409 |
| Paying agent and issue costs | - | 800 | - | 800 |
| Total expenditures | <u>322,686</u> | <u>1,148,008</u> | <u>23,043</u> | <u>1,493,737</u> |
| Excess (deficiency) of revenues over expenditures | 715,226 | (363,960) | 28,262 | 379,528 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 97,317 | 326,302 | - | 423,619 |
| Transfers out | (654,208) | - | - | (654,208) |
| Total other financing sources (uses) | <u>(556,891)</u> | <u>326,302</u> | <u>-</u> | <u>(230,589)</u> |
| Net change in fund balances | 158,335 | (37,658) | 28,262 | 148,939 |
| Fund balances - beginning | <u>1,171,573</u> | <u>240,674</u> | <u>291,787</u> | <u>1,704,034</u> |
| Fund balances - ending | <u>\$ 1,329,908</u> | <u>\$ 203,016</u> | <u>\$ 320,049</u> | <u>\$ 1,852,973</u> |

CITY OF LOCKHART, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2019

| | Radio Tower Equipment Replacement | Forfeited Property | Hotel / Motel Occupancy Tax | TCEQ NPS Grant | Road Impact Fees #1 | Road Impact Fees #2 |
|--|--|-----------------------|-----------------------------------|-------------------|---------------------------|---------------------------|
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | \$ 61,345 | \$ 8,032 | \$ 3,290 | \$ - | \$ 630,960 | \$ 94,276 |
| Receivables (net) | - | - | 22,398 | - | - | - |
| Prepaid expenditures | - | - | - | - | - | - |
| Total assets | <u>\$ 61,345</u> | <u>\$ 8,032</u> | <u>\$ 25,688</u> | <u>\$ -</u> | <u>\$ 630,960</u> | <u>\$ 94,276</u> |
| LIABILITIES | | | | | | |
| Accounts payable | \$ - | \$ - | \$ 11,472 | \$ - | \$ - | \$ - |
| Due to other funds | - | - | 7,579 | - | - | - |
| Total liabilities | - | - | <u>19,051</u> | - | - | - |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue | - | - | - | - | - | - |
| Total deferred inflows of resources | - | - | - | - | - | - |
| FUND BALANCES | | | | | | |
| Restricted | | | | | | |
| General government | - | - | - | - | - | - |
| Tourism | - | - | 6,637 | - | - | - |
| Public safety | 61,345 | 8,032 | - | - | - | - |
| Public works | - | - | - | - | 630,960 | 94,276 |
| Unassigned | - | - | - | - | - | - |
| Total fund balances | <u>61,345</u> | <u>8,032</u> | <u>6,637</u> | <u>-</u> | <u>630,960</u> | <u>94,276</u> |
| Total liabilities, deferred inflows and fund balances | <u>\$ 61,345</u> | <u>\$ 8,032</u> | <u>\$ 25,688</u> | <u>\$ -</u> | <u>\$ 630,960</u> | <u>\$ 94,276</u> |

| <u>Municipal Court Technology</u> | <u>Radio System Maintenance</u> | <u>Municipal Court Security</u> | <u>Child Safety</u> | <u>Court Efficiency</u> | <u>Juvenile Case Manager</u> | <u>Truancy Court</u> |
|-----------------------------------|---------------------------------|---------------------------------|---------------------|-------------------------|------------------------------|----------------------|
| \$ - | \$ 13,820 | \$ 11,690 | \$ 23,954 | \$ 11,983 | \$ 29,917 | \$ 5,989 |
| 2,373 | 25,121 | 1,779 | 1,347 | 553 | 3,499 | 684 |
| 10,579 | - | - | - | - | - | - |
| <u>\$ 12,952</u> | <u>\$ 38,941</u> | <u>\$ 13,469</u> | <u>\$ 25,301</u> | <u>\$ 12,536</u> | <u>\$ 33,416</u> | <u>\$ 6,673</u> |
| \$ 165 | \$ 1,626 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 13,937 | - | - | - | - | - | - |
| <u>14,102</u> | <u>1,626</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 2,373 | - | 1,779 | 1,347 | 553 | 3,499 | 684 |
| <u>2,373</u> | <u>-</u> | <u>1,779</u> | <u>1,347</u> | <u>553</u> | <u>3,499</u> | <u>684</u> |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 37,315 | 11,690 | 23,954 | 11,983 | 29,917 | 5,989 |
| - | - | - | - | - | - | - |
| (3,523) | - | - | - | - | - | - |
| <u>(3,523)</u> | <u>37,315</u> | <u>11,690</u> | <u>23,954</u> | <u>11,983</u> | <u>29,917</u> | <u>5,989</u> |
| <u>\$ 12,952</u> | <u>\$ 38,941</u> | <u>\$ 13,469</u> | <u>\$ 25,301</u> | <u>\$ 12,536</u> | <u>\$ 33,416</u> | <u>\$ 6,673</u> |

(continued)

CITY OF LOCKHART, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2019

| | Cable Education | Transportation System Improvmts | Drainage System Improvmts | Law Enforcement Education - Police | Total |
|--|--------------------|---------------------------------------|---------------------------------|---|---------------------|
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | \$ 40,012 | \$ 123,815 | \$ 156,267 | \$ 17,080 | \$ 1,232,430 |
| Receivables (net) | 6,490 | 64,225 | 29,252 | - | 157,721 |
| Prepaid expenditures | - | - | - | - | 10,579 |
| Total assets | \$ 46,502 | \$ 188,040 | \$ 185,519 | \$ 17,080 | \$ 1,400,730 |
| LIABILITIES | | | | | |
| Accounts payable | \$ - | \$ - | \$ 14,199 | \$ 705 | \$ 28,167 |
| Due to other funds | - | - | 10,904 | - | 32,420 |
| Total liabilities | - | - | 25,103 | 705 | 60,587 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue | - | - | - | - | 10,235 |
| Total deferred inflows of resources | - | - | - | - | 10,235 |
| FUND BALANCES | | | | | |
| Restricted | | | | | |
| General government | 46,502 | - | - | - | 46,502 |
| Tourism | - | - | - | - | 6,637 |
| Public safety | - | - | - | 16,375 | 206,600 |
| Public works | - | 188,040 | 160,416 | - | 1,073,692 |
| Unassigned | - | - | - | - | (3,523) |
| Total fund balances | 46,502 | 188,040 | 160,416 | 16,375 | 1,329,908 |
| Total liabilities, deferred inflows and fund balances | \$ 46,502 | \$ 188,040 | \$ 185,519 | \$ 17,080 | \$ 1,400,730 |

(concluded)

CITY OF LOCKHART, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

September 30, 2019

| | Radio Tower Equipment Replacement | Forfeited Property | Hotel / Motel Occupancy Tax | TCEQ NPS Grant | Road Impact Fees #1 | Road Impact Fees #2 |
|--|--|-----------------------|-----------------------------------|-------------------|---------------------------|---------------------------|
| REVENUES | | | | | | |
| Sales and other taxes | \$ - | \$ - | \$ 87,078 | \$ - | \$ - | \$ - |
| Fines, fees, and forfeitures | - | 4,178 | - | - | 59,324 | 40,199 |
| Intergovernmental and grants | - | - | - | - | - | - |
| Investment | 1,390 | 134 | 356 | 140 | 14,158 | 1,722 |
| Total revenues | <u>1,390</u> | <u>4,312</u> | <u>87,434</u> | <u>140</u> | <u>73,482</u> | <u>41,921</u> |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General government | - | - | 34,040 | - | - | - |
| Public safety | - | - | - | - | - | - |
| Public works | - | - | - | - | - | - |
| Culture and recreation | - | - | 9,478 | - | - | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>43,518</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | 1,390 | 4,312 | 43,916 | 140 | 73,482 | 41,921 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | (64) | (40,000) | (6,141) | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>(64)</u> | <u>(40,000)</u> | <u>(6,141)</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 1,390 | 4,248 | 3,916 | (6,001) | 73,482 | 41,921 |
| Fund balances - beginning | 59,955 | 3,784 | 2,721 | 6,001 | 557,478 | 52,355 |
| Fund balances - ending | <u>\$ 61,345</u> | <u>\$ 8,032</u> | <u>\$ 6,637</u> | <u>\$ -</u> | <u>\$ 630,960</u> | <u>\$ 94,276</u> |

| Municipal Court Technology | Radio System Maintenance | Municipal Court Security | Child Safety | Court Efficiency | Juvenile Case Manager | Truancy Court |
|----------------------------|--------------------------|--------------------------|------------------|------------------|-----------------------|-----------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 6,411 | - | 4,907 | 3,717 | 1,525 | 9,651 | 4,525 |
| - | 136,244 | - | - | - | - | - |
| - | 1,392 | 260 | 490 | 257 | 571 | 98 |
| <u>6,411</u> | <u>137,636</u> | <u>5,167</u> | <u>4,207</u> | <u>1,782</u> | <u>10,222</u> | <u>4,623</u> |
| - | - | - | - | - | - | - |
| 11,994 | 219,901 | 4,614 | - | 343 | 280 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>11,994</u> | <u>219,901</u> | <u>4,614</u> | <u>-</u> | <u>343</u> | <u>280</u> | <u>-</u> |
| (5,583) | (82,265) | 553 | 4,207 | 1,439 | 9,942 | 4,623 |
| - | 97,317 | - | - | - | - | - |
| - | (63,003) | - | - | - | - | - |
| - | 34,314 | - | - | - | - | - |
| (5,583) | (47,951) | 553 | 4,207 | 1,439 | 9,942 | 4,623 |
| <u>2,060</u> | <u>85,266</u> | <u>11,137</u> | <u>19,747</u> | <u>10,544</u> | <u>19,975</u> | <u>1,366</u> |
| <u>\$ (3,523)</u> | <u>\$ 37,315</u> | <u>\$ 11,690</u> | <u>\$ 23,954</u> | <u>\$ 11,983</u> | <u>\$ 29,917</u> | <u>\$ 5,989</u> |

(continued)

CITY OF LOCKHART, TEXAS

*COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2019*

| | Cable Education | Transportation System Improvmts | Drainage System Improvmts | Law Enforcement Education - Police | Total |
|--|--------------------|---------------------------------------|---------------------------------|---|---------------------|
| REVENUES | | | | | |
| Sales and other taxes | \$ 25,636 | \$ - | \$ - | \$ - | \$ 112,714 |
| Fines, fees, and forfeitures | - | 420,703 | 192,081 | - | 747,221 |
| Intergovernmental and grants | - | - | 12,151 | 2,282 | 150,677 |
| Investment | 803 | 2,162 | 2,982 | 385 | 27,300 |
| Total revenues | <u>26,439</u> | <u>422,865</u> | <u>207,214</u> | <u>2,667</u> | <u>1,037,912</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | 9,003 | - | - | - | 43,043 |
| Public safety | - | - | - | 2,267 | 239,399 |
| Public works | - | 1,509 | 29,257 | - | 30,766 |
| Culture and recreation | - | - | - | - | 9,478 |
| Total expenditures | <u>9,003</u> | <u>1,509</u> | <u>29,257</u> | <u>2,267</u> | <u>322,686</u> |
| Excess (deficiency) of revenues over expenditures | 17,436 | 421,356 | 177,957 | 400 | 715,226 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | - | - | 97,317 |
| Transfers out | - | (390,000) | (155,000) | - | (654,208) |
| Total other financing sources (uses) | <u>-</u> | <u>(390,000)</u> | <u>(155,000)</u> | <u>-</u> | <u>(556,891)</u> |
| Net change in fund balances | 17,436 | 31,356 | 22,957 | 400 | 158,335 |
| Fund balances - beginning | 29,066 | 156,684 | 137,459 | 15,975 | 1,171,573 |
| Fund balances - ending | <u>\$ 46,502</u> | <u>\$ 188,040</u> | <u>\$ 160,416</u> | <u>\$ 16,375</u> | <u>\$ 1,329,908</u> |

(concluded)

CITY OF LOCKHART, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
September 30, 2019

| | <u>Clearfork Detention Basin</u> | <u>Clearfork Section 1 Sidewalk</u> | <u>Maple 2201 Trail Project</u> | <u>2009 Certificates of Obligation</u> | <u>Total</u> |
|--|--|---|---|--|-------------------|
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | \$ - | \$ 32,859 | \$ 15,000 | \$ 272,190 | \$ 320,049 |
| Total assets | <u>\$ -</u> | <u>\$ 32,859</u> | <u>\$ 15,000</u> | <u>\$ 272,190</u> | <u>\$ 320,049</u> |
| LIABILITIES | \$ - | \$ - | \$ - | \$ - | \$ - |
| FUND BALANCES | | | | | |
| Restricted | | | | | |
| Various capital projects | - | 32,859 | 15,000 | 272,190 | 320,049 |
| Total fund balances | <u>-</u> | <u>32,859</u> | <u>15,000</u> | <u>272,190</u> | <u>320,049</u> |
| Total liabilities and fund balances | <u>\$ -</u> | <u>\$ 32,859</u> | <u>\$ 15,000</u> | <u>\$ 272,190</u> | <u>\$ 320,049</u> |

CITY OF LOCKHART, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR CAPITAL PROJECT FUNDS

September 30, 2019

| | Clearfork Detention Basin | Clearfork Section 1 Sidewalk | Maple 2201 Trail Project | 2009 Certificates of Obligation | Total |
|--|---------------------------------|------------------------------------|--------------------------------|---------------------------------------|-------------------|
| REVENUES | | | | | |
| Investment | \$ 432 | \$ 480 | \$ - | \$ 6,428 | \$ 7,340 |
| Miscellaneous | - | 28,965 | 15,000 | - | 43,965 |
| Total revenues | <u>432</u> | <u>29,445</u> | <u>15,000</u> | <u>6,428</u> | <u>51,305</u> |
| EXPENDITURES | | | | | |
| Capital outlay | 4,946 | - | - | 18,097 | 23,043 |
| Total expenditures | <u>4,946</u> | <u>-</u> | <u>-</u> | <u>18,097</u> | <u>23,043</u> |
| Excess (deficiency) of revenues over expenditures | (4,514) | 29,445 | 15,000 | (11,669) | 28,262 |
| Fund balances - beginning | 4,514 | 3,414 | - | 283,859 | 291,787 |
| Fund balances - ending | <u>\$ -</u> | <u>\$ 32,859</u> | <u>\$ 15,000</u> | <u>\$ 272,190</u> | <u>\$ 320,049</u> |

DEBT SERVICE FUND

CITY OF LOCKHART, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET (GAAP BASIS) AND ACTUAL

NONMAJOR GOVERNMENTAL FUND - DEBT SERVICE FUND

For the year ended September 30, 2019

With comparative totals for the year ended September 30, 2018

| | 2019 | | | 2018 |
|--|------------------|-------------------|------------------------------------|-------------------|
| | Final Budget | Actual | Variance Positive (Negative) | Actual |
| REVENUES | | | | |
| Taxes | | | | |
| Ad valorem | \$ 676,121 | \$ 709,460 | \$ 33,339 | \$ 710,351 |
| Investment | 8,500 | 15,090 | 6,590 | 10,840 |
| Miscellaneous | 59,498 | 59,498 | - | 59,612 |
| Total revenues | <u>744,119</u> | <u>784,048</u> | <u>39,929</u> | <u>780,803</u> |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal retirement | 660,301 | 690,799 | (30,498) | 601,470 |
| Interest and fiscal charges | 431,054 | 456,409 | (25,355) | 483,207 |
| Paying agent fees and issue costs | 800 | 800 | - | 1,000 |
| Total expenditures | <u>1,092,155</u> | <u>1,148,008</u> | <u>(55,853)</u> | <u>1,085,677</u> |
| Excess (deficiency) of revenues over expenditures | (348,036) | (363,960) | (15,924) | (304,874) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 326,302 | 326,302 | - | 259,927 |
| Total other financing sources (uses) | <u>326,302</u> | <u>326,302</u> | <u>-</u> | <u>259,927</u> |
| Net change in fund balance | \$ (21,734) | (37,658) | \$ (15,924) | (44,947) |
| Fund balance at beginning of year | | 240,674 | | 285,621 |
| Fund balance at end of year | | <u>\$ 203,016</u> | | <u>\$ 240,674</u> |

NONMAJOR ENTERPRISE FUNDS

Sanitation Fund - Accounts for operations of the solid waste removal services provided to the residents of the City through a private company.

Airport Fund - Accounts for the operation of the City's airport.

CITY OF LOCKHART, TEXAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
 September 30, 2019

| | Sanitation | Airport | Total |
|--|-------------------|---------------------|---------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 562,251 | \$ 182,646 | \$ 744,897 |
| Receivables (net) | 278,513 | 500 | 279,013 |
| Total current assets | <u>840,764</u> | <u>183,146</u> | <u>1,023,910</u> |
| Noncurrent assets | | | |
| Capital assets | | | |
| Land and other assets not being depreciated | 120,409 | 72,161 | 192,570 |
| Buildings, improvements, and equipment (net) | 55,103 | 1,339,174 | 1,394,277 |
| Total noncurrent assets | <u>175,512</u> | <u>1,411,335</u> | <u>1,586,847</u> |
| Total assets | <u>1,016,276</u> | <u>1,594,481</u> | <u>2,610,757</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflow related to pension | 46,506 | - | 46,506 |
| Deferred outflow related to OPEB | 432 | - | 432 |
| Total deferred outflows of resources | <u>46,938</u> | <u>-</u> | <u>46,938</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable | 105,388 | 1,001 | 106,389 |
| Payroll related payables | 6,511 | 222 | 6,733 |
| Customer deposits | 150 | 4,725 | 4,875 |
| Unearned revenue | - | 290 | 290 |
| Accrued compensated absences | 6,180 | 551 | 6,731 |
| Total current liabilities | <u>118,229</u> | <u>6,789</u> | <u>125,018</u> |
| Noncurrent liabilities | | | |
| Net pension liability | 127,061 | - | 127,061 |
| OPEB liability | 16,798 | - | 16,798 |
| Total noncurrent liabilities | <u>143,859</u> | <u>-</u> | <u>143,859</u> |
| Total liabilities | <u>262,088</u> | <u>6,789</u> | <u>268,877</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflow related to pension | 2,232 | - | 2,232 |
| Deferred inflow related to OPEB | 771 | - | 771 |
| Total deferred inflows of resources | <u>3,003</u> | <u>-</u> | <u>3,003</u> |
| NET POSITION | | | |
| Net investment in capital assets | 175,512 | 1,411,335 | 1,586,847 |
| Unrestricted | 622,611 | 176,357 | 798,968 |
| Total net position | <u>\$ 798,123</u> | <u>\$ 1,587,692</u> | <u>\$ 2,385,815</u> |

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CITY OF LOCKHART, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

NONMAJOR ENTERPRISE FUNDS

For the year ended September 30, 2019

| | <u>Sanitation</u> | <u>Airport</u> | <u>Total</u> |
|---|-------------------|---------------------|---------------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ 1,863,600 | \$ 89,059 | \$ 1,952,659 |
| Miscellaneous | 9,119 | - | 9,119 |
| Total operating revenues | <u>1,872,719</u> | <u>89,059</u> | <u>1,961,778</u> |
| OPERATING EXPENSES | | | |
| Personnel services | 251,776 | 9,005 | 260,781 |
| Contracts and services | 1,265,331 | 12,272 | 1,277,603 |
| Materials and supplies | 7,536 | 2 | 7,538 |
| Maintenance and repairs | 17,480 | 3,610 | 21,090 |
| Depreciation | 10,446 | 52,818 | 63,264 |
| Miscellaneous | 1,034 | 551 | 1,585 |
| Total operating expenses | <u>1,553,603</u> | <u>78,258</u> | <u>1,631,861</u> |
| Operating income before nonoperating revenues (expenses) and transfers | 319,116 | 10,801 | 329,917 |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment income | 11,455 | 3,470 | 14,925 |
| Noncapital grants and contributions | 19,017 | - | 19,017 |
| Net nonoperating revenues (expenses) | <u>30,472</u> | <u>3,470</u> | <u>33,942</u> |
| Income (loss) before transfers | 349,588 | 14,271 | 363,859 |
| Transfers out | <u>(285,738)</u> | <u>-</u> | <u>(285,738)</u> |
| Change in net position | 63,850 | 14,271 | 78,121 |
| Net position - beginning | <u>734,273</u> | <u>1,573,421</u> | <u>2,307,694</u> |
| Net position - ending | <u>\$ 798,123</u> | <u>\$ 1,587,692</u> | <u>\$ 2,385,815</u> |

CITY OF LOCKHART, TEXAS

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

For the year ended September 30, 2019

| | Sanitation | Airport | Total |
|---|-------------------|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash received from customers | \$ 1,853,096 | \$ 86,591 | \$ 1,939,687 |
| Cash payments to suppliers for goods and services | (1,283,103) | (15,143) | (1,298,246) |
| Cash payments to employees for services | (231,808) | (8,783) | (240,591) |
| Net cash provided by operating activities | <u>338,185</u> | <u>62,665</u> | <u>400,850</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Increase (decrease) in customer deposits | - | (2,150) | (2,150) |
| Noncapital grants and contributions | 19,017 | - | 19,017 |
| Transfers out to other funds | (285,738) | - | (285,738) |
| Net cash provided (used) by noncapital financing activities | <u>(266,721)</u> | <u>(2,150)</u> | <u>(268,871)</u> |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | | |
| | - | - | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investment income | 11,455 | 3,470 | 14,925 |
| Net cash provided (used) by investing activities | <u>11,455</u> | <u>3,470</u> | <u>14,925</u> |
| Net increase in cash and cash equivalents | 82,919 | 63,985 | 146,904 |
| Cash and cash equivalents at beginning of year | 479,332 | 118,661 | 597,993 |
| Cash and cash equivalents at end of year | <u>\$ 562,251</u> | <u>\$ 182,646</u> | <u>\$ 744,897</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | | |
| Operating income (loss) | \$ 319,116 | \$ 10,801 | \$ 329,917 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | |
| Depreciation | 10,446 | 52,818 | 63,264 |
| Change in assets and liabilities: | | | |
| (Increase) decrease in receivables | (19,623) | - | (19,623) |
| (Increase) decrease in deferred outflow related to pension | (30,145) | - | (30,145) |
| (Increase) decrease in deferred outflow related to OPEB | 315 | - | 315 |
| Increase (decrease) in accounts payable | 8,278 | 741 | 9,019 |
| Increase (decrease) in payroll related payables | 1,291 | 222 | 1,513 |
| Increase (decrease) in unearned revenue | - | (2,468) | (2,468) |
| Increase (decrease) in accrued compensated absences | 1,034 | 551 | 1,585 |
| Increase (decrease) in net pension liability | 58,739 | - | 58,739 |
| Increase (decrease) in OPEB liability | 942 | - | 942 |
| Increase (decrease) in deferred inflow related to pension | (12,979) | - | (12,979) |
| Increase (decrease) in deferred inflow related to OPEB | 771 | - | 771 |
| Net cash provided by operating activities | <u>\$ 338,185</u> | <u>\$ 62,665</u> | <u>\$ 400,850</u> |

FIDUCIARY FUNDS

Fiduciary Funds are used to account for and report assets held in trust for others.

Private Purpose Trust 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.

Agency Funds are custodial in nature and are used to account for the receipt, temporary investment, and remittance of resources to third parties. Because of the nature of these funds, they do not present results of operations or have a measurement focus.

CITY OF LOCKHART, TEXAS
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
September 30, 2019

| | <u>Private Purpose Trusts</u> | | |
|---------------------------|-------------------------------|----------------------------------|--------------|
| | <u>Glosserman Trust</u> | <u>Brock Cabin Trust</u> | <u>Total</u> |
| ASSETS | | | |
| Cash and cash equivalents | \$ 534 | \$ 1,247 | \$ 1,781 |
| Total assets | <u>534</u> | <u>1,247</u> | <u>1,781</u> |
| LIABILITIES | | | |
| Due to others | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> |
| NET POSITION | | | |
| Held for various purposes | \$ 534 | \$ 1,247 | \$ 1,781 |

Agency Funds

| <u>Confiscated Property</u> | <u>Unclaimed Property</u> | <u>Bicycle Helmet</u> | <u>Total</u> |
|---------------------------------|-------------------------------|---------------------------|------------------|
| \$ 11,470 | \$ 9,356 | \$ 1,105 | \$ 21,931 |
| <u>\$ 11,470</u> | <u>\$ 9,356</u> | <u>\$ 1,105</u> | <u>\$ 21,931</u> |
| | | | |
| \$ 11,470 | \$ 9,356 | \$ 1,105 | \$ 21,931 |
| <u>\$ 11,470</u> | <u>\$ 9,356</u> | <u>\$ 1,105</u> | <u>\$ 21,931</u> |

CITY OF LOCKHART, TEXAS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

PRIVATE PURPOSE TRUSTS

For the year ended September 30, 2019

| | <u>Glosserman Trust</u> | <u>Brock Cabin Trust</u> | <u>Total</u> |
|------------------------------|-----------------------------|----------------------------------|-----------------|
| ADDITIONS | | | |
| Investment income | \$ 13 | \$ 29 | \$ 42 |
| Total additions | <u>13</u> | <u>29</u> | <u>42</u> |
| DEDUCTIONS | | | |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Change in net position | 13 | 29 | 42 |
| Net position - beginning | <u>521</u> | <u>1,218</u> | <u>1,739</u> |
| Net position - ending | <u>\$ 534</u> | <u>\$ 1,247</u> | <u>\$ 1,781</u> |

CITY OF LOCKHART, TEXAS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

For the year ended September 30, 2019

| | <u>Balance Beginning of Year</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance End of Year</u> |
|---------------------------------|--|------------------|-------------------|------------------------------------|
| CONFISCATED PROPERTY | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 10,398 | \$ 1,072 | \$ - | \$ 11,470 |
| Liabilities | | | | |
| Due to others | \$ 10,398 | \$ 1,072 | \$ - | \$ 11,470 |
| UNCLAIMED PROPERTY | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 8,826 | \$ 963 | \$ 433 | \$ 9,356 |
| Liabilities | | | | |
| Due to others | \$ 8,826 | \$ 963 | \$ 433 | \$ 9,356 |
| BICYCLE HELMET | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 1,080 | \$ 25 | \$ - | \$ 1,105 |
| Liabilities | | | | |
| Due to others | \$ 1,080 | \$ 25 | \$ - | \$ 1,105 |
| TOTAL - ALL AGENCY FUNDS | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 20,304 | \$ 2,060 | \$ 433 | \$ 21,931 |
| Total assets | <u>\$ 20,304</u> | <u>\$ 2,060</u> | <u>\$ 433</u> | <u>\$ 21,931</u> |
| Liabilities | | | | |
| Due to others | \$ 20,304 | \$ 2,060 | \$ 433 | \$ 21,931 |
| Total liabilities | <u>\$ 20,304</u> | <u>\$ 2,060</u> | <u>\$ 433</u> | <u>\$ 21,931</u> |

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City's comprehensive annual 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.

| <u>Contents</u> | <u>Page</u> |
|--|-------------|
| Financial Trends | |
| These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time..... | 106 |
| Revenue Capacity | |
| These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes and water and sewer revenues..... | 117 |
| Debt Capacity | |
| 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 | 132 |
| Demographic and Economic Information | |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments..... | 137 |
| Operating Information | |
| These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs..... | 139 |

CITY OF LOCKHART, TEXAS
NET POSITION BY COMPONENT (1)
Last ten fiscal years

| | Fiscal Year | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 |
| Governmental activities | | | | |
| Net investment in capital assets | \$ 20,039,835 | \$ 19,526,461 | \$ 18,958,675 | \$ 18,393,579 |
| Restricted | 734,598 | 1,061,870 | 910,946 | 1,162,143 |
| Unrestricted | 4,231,911 | 3,304,898 | 3,139,585 | 2,880,516 |
| Total governmental activities net position | <u>\$ 25,006,344</u> | <u>\$ 23,893,229</u> | <u>\$ 23,009,206</u> | <u>\$ 22,436,238</u> |
| Business-type activities | | | | |
| Net investment in capital assets | \$ 10,481,022 | \$ 10,801,725 | \$ 12,161,005 | \$ 10,349,284 |
| Restricted | 730,272 | 361,783 | 363,365 | 3,449,423 |
| Unrestricted | 7,971,130 | 8,568,802 | 7,710,870 | 7,243,346 |
| Total business-type activities net position | <u>\$ 19,182,424</u> | <u>\$ 19,732,310</u> | <u>\$ 20,235,240</u> | <u>\$ 21,042,053</u> |
| Primary government | | | | |
| Net investment in capital assets | \$ 30,520,857 | \$ 30,328,186 | \$ 31,119,680 | \$ 28,742,863 |
| Restricted | 1,464,870 | 1,423,653 | 1,274,311 | 4,611,566 |
| Unrestricted | 12,203,041 | 11,873,700 | 10,850,455 | 10,123,862 |
| Total primary government activities net position | <u>\$ 44,188,768</u> | <u>\$ 43,625,539</u> | <u>\$ 43,244,446</u> | <u>\$ 43,478,291</u> |

(1) Accrual basis of accounting

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

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

| Fiscal Year | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| \$ 16,591,140 | \$ 16,376,825 | \$ 15,001,030 | \$ 14,162,688 | \$ 13,774,228 | \$ 12,648,711 |
| 2,123,629 | 1,211,989 | 1,093,907 | 1,141,195 | 1,396,101 | 1,571,133 |
| <u>2,859,520</u> | <u>1,328,814</u> | <u>2,137,425</u> | <u>1,886,148</u> | <u>1,823,314</u> | <u>1,972,882</u> |
| <u>\$ 21,574,289</u> | <u>\$ 18,917,628</u> | <u>\$ 18,232,362</u> | <u>\$ 17,190,031</u> | <u>\$ 16,993,643</u> | <u>\$ 16,192,726</u> |
| \$ 10,193,932 | \$ 15,283,769 | \$ 15,074,665 | \$ 16,507,663 | \$ 16,961,238 | \$ 17,492,757 |
| 2,924,473 | 1,023,082 | 1,071,089 | 1,163,687 | 1,421,535 | 1,661,480 |
| <u>8,125,881</u> | <u>5,315,836</u> | <u>7,979,875</u> | <u>7,489,601</u> | <u>8,791,362</u> | <u>9,434,557</u> |
| <u>\$ 21,244,286</u> | <u>\$ 21,622,687</u> | <u>\$ 24,125,629</u> | <u>\$ 25,160,951</u> | <u>\$ 27,174,135</u> | <u>\$ 28,588,794</u> |
| \$ 26,785,072 | \$ 31,660,594 | \$ 30,075,695 | \$ 30,670,351 | \$ 30,735,466 | \$ 30,141,468 |
| 5,048,102 | 2,235,071 | 2,164,996 | 2,304,882 | 2,817,636 | 3,232,613 |
| <u>10,985,401</u> | <u>6,644,650</u> | <u>10,117,300</u> | <u>9,375,749</u> | <u>10,614,676</u> | <u>11,407,439</u> |
| <u>\$ 42,818,575</u> | <u>\$ 40,540,315</u> | <u>\$ 42,357,991</u> | <u>\$ 42,350,982</u> | <u>\$ 44,167,778</u> | <u>\$ 44,781,520</u> |

CITY OF LOCKHART, TEXAS
CHANGES IN NET POSITION (1)
Last ten fiscal years

| | 2010 | 2011 | 2012 | 2013 |
|---|---------------------|-----------------------|---------------------|---------------------|
| Governmental activities | | | | |
| Expenses | | | | |
| General government | \$ 1,370,849 | \$ 1,390,295 | \$ 1,191,024 | \$ 1,952,419 |
| Public safety | 4,993,928 | 5,790,930 | 5,599,728 | 5,550,020 |
| Public works | 2,775,127 | 2,829,285 | 2,870,543 | 2,509,328 |
| Health and welfare | - | 5,086 | 5,834 | 26,528 |
| Culture and recreation | 881,411 | 807,824 | 823,923 | 783,053 |
| Interest on long-term debt | 496,419 | 489,844 | 456,409 | 416,095 |
| Total expenses | <u>10,517,734</u> | <u>11,313,264</u> | <u>10,947,461</u> | <u>11,237,443</u> |
| Program revenues | | | | |
| Charges for services | | | | |
| General government | 60,722 | 649,335 | 527,226 | 517,628 |
| Public safety | 1,597,583 | 1,520,339 | 1,028,070 | 1,180,320 |
| Public works | - | - | - | - |
| Health and welfare | - | - | 11,498 | - |
| Culture and recreation | - | 30,080 | 28,384 | 32,437 |
| Operating grants and contributions | 333,188 | 178,104 | 842,045 | 935,161 |
| Capital grants and contributions | 694,865 | 133,700 | 156,886 | 157,320 |
| Total program revenues | <u>2,686,358</u> | <u>2,511,558</u> | <u>2,594,109</u> | <u>2,822,866</u> |
| Total governmental activities net program expense | (7,831,376) | (8,801,706) | (8,353,352) | (8,414,577) |
| General revenues and other changes in net position | | | | |
| Taxes | | | | |
| Property taxes, general | 2,656,529 | 2,860,273 | 2,869,130 | 2,843,226 |
| Property taxes, debt service | 524,445 | 542,098 | 542,274 | 538,316 |
| Sales taxes | 1,117,367 | 1,213,592 | 1,292,841 | 1,296,151 |
| Franchise taxes | 344,574 | 293,304 | 293,375 | 308,180 |
| Other taxes | 94,207 | 99,570 | 104,650 | 81,614 |
| Unrestricted investment earnings | 28,010 | 14,162 | 24,992 | 22,967 |
| Gain on sale of capital assets | 104,003 | - | - | - |
| Miscellaneous | 217,257 | 351,463 | 195,425 | 162,186 |
| Transfers | 2,452,590 | 2,314,129 | 2,146,642 | 2,588,969 |
| Total general revenues and other changes in net position | <u>7,538,982</u> | <u>7,688,591</u> | <u>7,469,329</u> | <u>7,841,609</u> |
| Total governmental activities change in net position | <u>\$ (292,394)</u> | <u>\$ (1,113,115)</u> | <u>\$ (884,023)</u> | <u>\$ (572,968)</u> |

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|----|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ | 2,096,530 | \$ 2,476,203 | \$ 1,879,383 | \$ 2,083,166 | \$ 2,045,364 | \$ 2,232,343 |
| | 5,584,295 | 5,626,336 | 5,230,470 | 5,086,371 | 5,401,024 | 5,799,256 |
| | 2,507,776 | 2,448,572 | 2,586,206 | 2,644,292 | 3,084,192 | 3,552,691 |
| | 6,091 | 13,489 | 17,068 | 22,137 | 16,326 | 18,250 |
| | 771,470 | 964,757 | 933,135 | 1,006,038 | 1,077,697 | 1,041,842 |
| | 383,683 | 612,529 | 621,121 | 459,629 | 441,769 | 415,242 |
| | <u>11,349,845</u> | <u>12,141,886</u> | <u>11,267,383</u> | <u>11,301,633</u> | <u>12,066,372</u> | <u>13,059,624</u> |
| | 608,232 | 1,131,977 | 191,100 | 181,313 | 223,254 | 601,870 |
| | 1,362,136 | 1,531,653 | 330,826 | 334,769 | 1,005,749 | 295,192 |
| | - | - | 723,832 | 549,097 | 423,575 | 291,604 |
| | - | - | - | - | - | - |
| | 27,773 | 28,878 | 33,926 | 32,699 | 37,991 | 29,589 |
| | 432,581 | 391,200 | 615,542 | 202,393 | 566,039 | 579,539 |
| | 103,808 | - | - | - | 278,000 | 96,263 |
| | <u>2,534,530</u> | <u>3,083,708</u> | <u>1,895,226</u> | <u>1,300,271</u> | <u>2,534,608</u> | <u>1,894,057</u> |
| | (8,815,315) | (9,058,178) | (9,372,157) | (10,001,362) | (9,531,764) | (11,165,567) |
| | 2,933,089 | 2,975,409 | 3,016,649 | 3,217,538 | 3,620,758 | 3,914,885 |
| | 555,028 | 561,588 | 687,845 | 692,161 | 704,442 | 697,336 |
| | 1,381,748 | 1,484,020 | 1,478,065 | 1,549,695 | 1,650,931 | 1,767,048 |
| | 319,982 | 325,911 | 316,353 | 312,433 | 357,278 | 360,589 |
| | 93,825 | 106,712 | 132,234 | 96,529 | 106,756 | 111,841 |
| | 18,355 | 23,881 | 59,851 | 99,353 | 190,320 | 283,700 |
| | - | - | - | - | - | - |
| | 505,461 | 493,852 | 239,590 | 289,291 | 192,281 | 184,509 |
| | <u>2,595,561</u> | <u>2,356,889</u> | <u>2,448,575</u> | <u>2,896,410</u> | <u>3,094,654</u> | <u>3,044,742</u> |
| | <u>8,403,049</u> | <u>8,328,262</u> | <u>8,379,162</u> | <u>9,153,410</u> | <u>9,917,420</u> | <u>10,364,650</u> |
| \$ | <u>(412,266)</u> | <u>(729,916)</u> | <u>(992,995)</u> | <u>(847,952)</u> | <u>385,656</u> | <u>(800,917)</u> |

(continued)

CITY OF LOCKHART, TEXAS
CHANGES IN NET POSITION (1)
Last ten fiscal years

| | 2010 | 2011 | 2012 | 2013 |
|---|--------------------|---------------------|---------------------|--------------------|
| Business-type activities | | | | |
| Expenses | | | | |
| Electric | \$ 8,866,906 | \$ 8,858,995 | \$ 8,928,955 | \$ 8,722,855 |
| Water | 2,934,821 | 2,821,798 | 2,974,676 | 2,874,616 |
| Wastewater | 1,777,788 | 1,815,146 | 1,937,230 | 1,836,078 |
| EMS | - | - | - | - |
| Sanitation | 1,102,745 | 1,112,592 | 1,069,763 | 1,090,003 |
| Airport | 79,303 | 76,657 | 75,469 | 76,188 |
| Total expenses | 14,761,563 | 14,685,188 | 14,986,093 | 14,599,740 |
| Program revenues | | | | |
| Charges for services | | | | |
| Electric | 11,146,896 | 10,599,526 | 10,678,214 | 10,388,956 |
| Water | 2,769,409 | 3,400,574 | 3,193,225 | 3,050,522 |
| Wastewater | 2,005,723 | 2,038,277 | 2,065,623 | 2,108,828 |
| EMS | - | - | - | - |
| Sanitation | 1,308,316 | 1,315,748 | 1,323,672 | 1,349,400 |
| Airport | 70,610 | 70,163 | 70,727 | 67,799 |
| Operating grants and contributions | 36,694 | 50,251 | - | 34,606 |
| Capital grants and contributions | 790,773 | - | 257,900 | 942,271 |
| Total program revenues | 18,128,421 | 17,474,539 | 17,589,361 | 17,942,382 |
| Total business-type activities net program expense | 3,366,858 | 2,789,351 | 2,603,268 | 3,342,642 |
| General revenues and other changes in net position | | | | |
| Impact fees | 23,957 | 67,816 | 32,398 | 37,846 |
| Unrestricted investment earnings | 10,449 | 6,848 | 13,906 | 15,294 |
| Miscellaneous | - | - | - | - |
| Transfers | (2,452,590) | (2,314,129) | (2,146,642) | (2,588,969) |
| Total general revenues and other changes in net position | (2,418,184) | (2,239,465) | (2,100,338) | (2,535,829) |
| Total business-type activities change in net position | \$ 948,674 | \$ 549,886 | \$ 502,930 | \$ 806,813 |
| Total primary government change in net position | \$ 656,280 | \$ (563,229) | \$ (381,093) | \$ 233,845 |

(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.

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| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 9,725,877 | \$ 9,753,464 | \$ 8,664,234 | \$ 8,722,211 | \$ 9,132,038 | \$ 9,242,068 |
| 2,685,091 | 3,258,446 | 3,257,979 | 3,545,084 | 3,428,101 | 3,224,639 |
| 1,936,142 | 1,849,338 | 2,089,407 | 1,824,111 | 1,281,066 | 1,370,942 |
| - | - | 1,230,254 | 1,289,014 | 1,334,506 | 1,383,128 |
| 1,077,505 | 1,166,275 | 1,215,636 | 1,345,466 | 1,461,111 | 1,553,603 |
| 79,443 | 82,646 | 69,911 | 76,438 | 100,130 | 78,258 |
| <u>15,504,058</u> | <u>16,110,169</u> | <u>16,527,421</u> | <u>16,802,324</u> | <u>16,736,952</u> | <u>16,852,638</u> |
| 11,521,734 | 12,039,498 | 10,974,720 | 11,444,388 | 12,238,369 | 12,193,929 |
| 3,100,358 | 3,090,312 | 3,100,239 | 3,287,603 | 3,336,689 | 3,267,558 |
| 2,188,454 | 2,195,102 | 2,265,298 | 2,578,386 | 2,339,875 | 2,278,003 |
| - | - | 2,007,847 | 1,354,810 | 1,438,174 | 978,097 |
| 1,332,323 | 1,402,428 | 1,464,121 | 1,593,359 | 1,708,812 | 1,872,719 |
| 69,035 | 68,520 | 68,927 | 71,489 | 71,433 | 89,059 |
| - | 11,821 | - | 7,016 | 24,925 | 68,272 |
| 37,035 | - | 1,042,796 | 195,261 | - | - |
| <u>18,248,939</u> | <u>18,807,681</u> | <u>20,923,948</u> | <u>20,532,312</u> | <u>21,158,277</u> | <u>20,747,637</u> |
| 2,744,881 | 2,697,512 | 4,396,527 | 3,729,988 | 4,421,325 | 3,894,999 |
| 218,458 | 255,462 | 263,817 | 83,585 | 244,561 | 195,808 |
| 14,881 | 21,733 | 61,357 | 118,159 | 236,101 | 368,594 |
| - | 6,858 | - | - | 23,598 | - |
| <u>(2,595,561)</u> | <u>(2,356,889)</u> | <u>(2,448,575)</u> | <u>(2,896,410)</u> | <u>(3,094,654)</u> | <u>(3,044,742)</u> |
| <u>(2,362,222)</u> | <u>(2,072,836)</u> | <u>(2,123,401)</u> | <u>(2,694,666)</u> | <u>(2,590,394)</u> | <u>(2,480,340)</u> |
| \$ <u>382,659</u> | \$ <u>624,676</u> | \$ <u>2,273,126</u> | \$ <u>1,035,322</u> | \$ <u>1,830,931</u> | \$ <u>1,414,659</u> |
| \$ <u>(29,607)</u> | \$ <u>(105,240)</u> | \$ <u>1,280,131</u> | \$ <u>187,370</u> | \$ <u>2,216,587</u> | \$ <u>613,742</u> |

(concluded)

CITY OF LOCKHART, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last ten fiscal years

| | Fiscal Year | | | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2010 | 2011 | 2012 | 2013 |
| General Fund | | | | |
| Nonspendable | | | | |
| Prepaid items | \$ - | \$ 14,428 | \$ 19,180 | \$ 20,452 |
| Inventory | - | 34,896 | 31,110 | 32,669 |
| Restricted | - | - | 94,718 | 92,510 |
| Committed | - | 941,384 | 794,336 | 745,659 |
| Unassigned | - | 1,902,921 | 2,126,968 | 2,456,454 |
| Reserved | | | | |
| Prepaid items | 13,706 | - | - | - |
| Inventory | 20,437 | - | - | - |
| Unreserved | 2,312,366 | - | - | - |
| Total general fund | <u>\$ 2,346,509</u> | <u>\$ 2,893,629</u> | <u>\$ 3,066,312</u> | <u>\$ 3,347,744</u> |
| All Other Governmental Funds | | | | |
| Nonspendable | | | | |
| Prepaid items | \$ - | \$ - | \$ - | \$ - |
| Restricted | | | | |
| Retirement of long-term debt | - | 605,361 | 499,163 | 515,468 |
| Special revenue funds | - | 522,734 | 473,266 | 590,589 |
| General government | - | - | - | - |
| Tourism | - | - | - | - |
| Public safety | - | - | - | - |
| Public works | - | - | - | - |
| Various capital projects | - | 4,220,049 | 3,197,595 | 2,122,420 |
| Unassigned | - | - | - | - |
| Reserved | | | | |
| Prepaid items | 630 | - | - | - |
| Unreserved, reported in | | | | |
| Special revenue funds | 1,480,548 | - | - | - |
| Debt service fund | 717,931 | - | - | - |
| Capital project funds | 4,505,931 | - | - | - |
| Total all other governmental funds | <u>\$ 6,705,040</u> | <u>\$ 5,348,144</u> | <u>\$ 4,170,024</u> | <u>\$ 3,228,477</u> |

(1) Modified accrual basis of accounting

NOTE: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011.

| Fiscal Year | | | | | |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| \$ 19,116 | \$ 23,103 | \$ 15,728 | \$ 23,642 | \$ 37,870 | \$ 30,627 |
| 19,327 | 14,578 | 13,699 | 11,272 | 11,563 | 13,572 |
| 166,141 | 91,955 | - | - | - | - |
| 742,680 | 602,435 | 604,252 | 609,054 | 553,877 | 574,446 |
| 2,655,076 | 3,196,967 | 3,423,228 | 3,897,547 | 4,451,131 | 5,103,853 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 3,602,340</u> | <u>\$ 3,929,038</u> | <u>\$ 4,056,907</u> | <u>\$ 4,541,515</u> | <u>\$ 5,054,441</u> | <u>\$ 5,722,498</u> |
| | | | | | |
| \$ 10,373 | \$ 2,673 | \$ 4,512 | \$ 680 | \$ 2,765 | \$ - |
| 429,226 | 362,919 | 278,089 | 285,621 | 240,674 | 203,016 |
| 690,237 | 757,115 | - | - | - | - |
| - | - | 627,417 | 664,319 | 35,067 | 46,502 |
| - | - | 8,248 | 8,485 | 2,721 | 6,637 |
| - | - | 180,153 | 206,068 | 227,044 | 206,600 |
| - | - | - | - | 903,976 | 1,073,692 |
| 838,025 | 8,386,106 | 6,792,536 | 5,160,201 | 4,531,457 | 3,437,195 |
| - | - | - | - | - | (3,523) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 1,967,861</u> | <u>\$ 9,508,813</u> | <u>\$ 7,890,955</u> | <u>\$ 6,325,374</u> | <u>\$ 5,943,704</u> | <u>\$ 4,970,119</u> |

CITY OF LOCKHART, TEXAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last ten fiscal years

| | Fiscal Year | | | |
|--|-----------------------|---------------------|-----------------------|---------------------|
| | 2010 | 2011 | 2012 | 2013 |
| Revenues | | | | |
| Property taxes | \$ 3,239,554 | \$ 3,371,583 | \$ 3,402,052 | \$ 3,381,542 |
| Sales and other taxes | 1,544,324 | 1,606,466 | 1,690,866 | 1,697,976 |
| Fines, fees and forfeitures | 623,590 | 1,669,314 | 1,725,665 | 1,099,975 |
| Licenses and permits | 60,722 | 92,987 | 61,138 | 63,152 |
| Intergovernmental and grants | 123,188 | 585,165 | 655,203 | 544,888 |
| Charges for services | 1,183,244 | - | 45,155 | 812,579 |
| Investment | 28,010 | 14,162 | 24,991 | 23,005 |
| Miscellaneous | 1,221,099 | 446,946 | 602,542 | 739,044 |
| Total revenues | 8,023,731 | 7,786,623 | 8,207,612 | 8,362,161 |
| Expenditures | | | | |
| Current | | | | |
| General government | 1,235,199 | 1,160,275 | 1,134,953 | 1,947,463 |
| Public safety | 4,878,649 | 5,618,557 | 5,426,686 | 5,425,960 |
| Public works | 1,292,334 | 1,459,776 | 1,611,562 | 974,409 |
| Health and welfare | 43,738 | 4,745 | 5,434 | 26,176 |
| Culture and recreation | 736,252 | 753,617 | 772,519 | 782,139 |
| Capital outlay | 3,617,748 | 490,958 | 1,033,268 | 1,088,877 |
| Debt service | | | | |
| Principal retirement | 782,979 | 927,393 | 914,253 | 945,374 |
| Interest and fiscal charges | 546,419 | 494,805 | 460,616 | 420,448 |
| Paying agent and issue costs | - | 400 | 400 | 400 |
| Total expenditures | 13,133,318 | 10,910,526 | 11,359,691 | 11,611,246 |
| Excess (deficiency) of revenues over expenditures | (5,109,587) | (3,123,903) | (3,152,079) | (3,249,085) |
| Other financing sources (uses) | | | | |
| Debt issued | - | - | - | - |
| Premium on issuance of bonds | - | - | - | - |
| Payment to escrow | - | - | - | - |
| Sale of capital assets | 13,684 | - | - | - |
| Insurance recoveries | 3,522 | - | - | - |
| Transfers in | 3,267,101 | 3,326,029 | 2,674,959 | 3,393,219 |
| Transfers out | (814,511) | (1,011,900) | (528,317) | (804,250) |
| Total other financing sources (uses) | 2,469,796 | 2,314,129 | 2,146,642 | 2,588,969 |
| Change in fund balances | \$ (2,639,791) | \$ (809,774) | \$ (1,005,437) | \$ (660,116) |
| Debt service as a percentage of noncapital expenditures | 14.00% | 13.95% | 14.02% | 13.58% |

(1) Modified accrual basis of accounting

| Fiscal Year | | | | | | |
|-----------------------|---------------------|-----------------------|-----------------------|-------------------|---------------------|--|
| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | |
| \$ 3,488,117 | \$ 3,531,590 | \$ 3,757,254 | \$ 3,971,301 | \$ 4,352,825 | \$ 4,676,453 | |
| 1,795,555 | 1,916,643 | 1,921,425 | 1,990,221 | 2,114,965 | 2,239,478 | |
| 824,213 | 1,021,043 | 1,115,233 | 927,273 | 1,227,557 | 1,127,998 | |
| 147,923 | 288,438 | 173,641 | 125,761 | 192,622 | 142,721 | |
| 381,406 | 391,200 | 184,438 | 202,393 | 458,624 | 554,354 | |
| 1,103,401 | 1,383,027 | - | - | - | 2,200 | |
| 18,355 | 23,881 | 59,851 | 99,353 | 190,320 | 283,700 | |
| 502,274 | 493,852 | 550,390 | 288,003 | 323,296 | 275,443 | |
| <u>8,261,244</u> | <u>9,049,674</u> | <u>7,762,232</u> | <u>7,604,305</u> | <u>8,860,209</u> | <u>9,302,347</u> | |
| 1,955,191 | 1,946,091 | 1,853,485 | 1,847,858 | 1,933,687 | 2,107,937 | |
| 5,639,925 | 5,767,328 | 4,680,022 | 4,751,069 | 5,212,519 | 5,631,506 | |
| 1,006,216 | 930,794 | 1,069,441 | 1,168,180 | 1,727,405 | 1,601,001 | |
| 5,739 | 11,970 | 12,138 | 17,207 | 11,396 | 13,320 | |
| 737,113 | 880,443 | 834,815 | 890,047 | 949,731 | 912,739 | |
| 1,334,223 | 665,475 | 1,589,287 | 1,818,019 | 828,872 | 1,238,106 | |
| 795,796 | 358,092 | 855,322 | 587,160 | 601,470 | 690,799 | |
| 388,222 | 825,385 | 566,342 | 500,948 | 483,207 | 456,409 | |
| 400 | 132,458 | 151,889 | 1,200 | 1,000 | 800 | |
| <u>11,862,825</u> | <u>11,518,036</u> | <u>11,612,741</u> | <u>11,581,688</u> | <u>11,749,287</u> | <u>12,652,617</u> | |
| (3,601,581) | (2,468,362) | (3,850,509) | (3,977,383) | (2,889,078) | (3,350,270) | |
| - | 7,700,735 | 4,887,402 | - | - | - | |
| - | 278,388 | 593,157 | - | - | - | |
| - | - | (5,455,484) | - | - | - | |
| - | - | - | - | - | - | |
| - | - | - | - | - | - | |
| 3,143,246 | 2,958,448 | 3,451,810 | 3,440,098 | 3,688,600 | 3,796,267 | |
| <u>(547,685)</u> | <u>(601,559)</u> | <u>(1,003,235)</u> | <u>(543,688)</u> | <u>(593,946)</u> | <u>(751,525)</u> | |
| <u>2,595,561</u> | <u>10,336,012</u> | <u>2,473,650</u> | <u>2,896,410</u> | <u>3,094,654</u> | <u>3,044,742</u> | |
| \$ <u>(1,006,020)</u> | \$ <u>7,867,650</u> | \$ <u>(1,376,859)</u> | \$ <u>(1,080,973)</u> | \$ <u>205,576</u> | \$ <u>(305,528)</u> | |
| <u>11.90%</u> | <u>10.91%</u> | <u>14.68%</u> | <u>11.64%</u> | <u>10.42%</u> | <u>10.23%</u> | |

CITY OF LOCKHART, TEXAS

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS (1)

Last ten fiscal years

| <u>Fiscal Year</u> | <u>Ad Valorem</u> | <u>Penalty and Interest</u> | <u>Sales</u> | <u>Franchise</u> | <u>Hotel/Motel</u> | <u>Other</u> | <u>Total</u> |
|--------------------|-------------------|-----------------------------|--------------|------------------|--------------------|--------------|--------------|
| 2010 | \$ 3,180,994 | \$ 58,560 | \$ 1,117,367 | \$ 344,574 | \$ 79,607 | \$ 2,776 | \$ 4,783,878 |
| 2011 | 3,331,978 | 39,605 | 1,213,592 | 293,304 | 88,250 | 11,320 | 4,978,049 |
| 2012 | 3,351,984 | 50,068 | 1,292,841 | 293,375 | 93,052 | 11,598 | 5,092,918 |
| 2013 | 3,333,978 | 47,564 | 1,293,019 | 308,180 | 81,614 | 15,163 | 5,079,518 |
| 2014 | 3,441,616 | 46,232 | 1,381,748 | 319,982 | 83,831 | 10,263 | 5,283,672 |
| 2015 | 3,487,044 | 44,546 | 1,479,056 | 325,911 | 100,522 | 11,154 | 5,448,233 |
| 2016 | 3,704,494 | 43,744 | 1,478,065 | 339,459 | 90,542 | 22,375 | 5,678,679 |
| 2017 | 3,909,699 | 58,868 | 1,549,695 | 336,068 | 87,766 | 19,426 | 5,961,522 |
| 2018 | 4,304,798 | 48,027 | 1,650,931 | 357,278 | 82,180 | 24,576 | 6,467,790 |
| 2019 | 4,620,916 | 55,537 | 1,767,048 | 360,589 | 87,078 | 24,763 | 6,915,931 |

(1) Modified accrual basis of accounting

CITY OF LOCKHART, TEXAS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last ten fiscal years

| Fiscal Year | Tax Roll | Real Property | | | | Minerals | Less: Tax Exempt Real Property | Total Taxable Assessed Value Before Freeze |
|-------------|----------|-------------------------|-----------------------------|----------------------|----------|----------------|--------------------------------------|---|
| | | Residential Property | Non-Residential Property | Personal Property | | | | |
| 2010 | 2009 | \$ 404,167,025 | \$ 121,927,062 | \$ 45,065,790 | \$ 5,630 | \$ 107,958,719 | \$ 463,206,788 | |
| 2011 | 2010 | 409,176,284 | 126,629,089 | 55,479,950 | 10,290 | 106,020,524 | 485,275,089 | |
| 2012 | 2011 | 410,135,248 | 128,443,852 | 54,648,590 | 23,060 | 115,156,405 | 478,094,345 | |
| 2013 | 2012 | 416,425,765 | 129,671,339 | 46,217,410 | 14,400 | 114,848,768 | 477,480,146 | |
| 2014 | 2013 | 427,236,194 | 131,330,390 | 53,978,110 | 14,400 | 118,025,207 | 494,533,887 | |
| 2015 | 2014 | 449,920,448 | 132,450,610 | 53,836,070 | 5,040 | 139,636,140 | 496,576,028 | |
| 2016 | 2015 | 469,313,930 | 135,525,093 | 55,579,530 | 7,091 | 141,581,487 | 518,844,157 | |
| 2017 | 2016 | 482,454,757 | 141,155,970 | 53,621,290 | 7,091 | 144,119,120 | 533,119,988 | |
| 2018 | 2017 | 544,551,915 | 189,973,297 | 54,203,240 | 11,626 | 178,676,169 | 610,063,909 | |
| 2019 | 2018 | 574,119,621 | 214,527,344 | 57,249,280 | 10,524 | 175,188,050 | 670,718,719 | |

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

| <u>Total Freeze Taxable</u> | <u>Freeze Adjusted Taxable</u> | <u>Total Direct Tax Rate</u> | <u>Estimated Tax Value Before Freeze Ceiling</u> | <u>Freeze Ceiling</u> | <u>Estimated Tax Value Including Freeze Ceiling</u> | <u>Assessed Value as a Percentage of Actual Value</u> |
|-----------------------------|--------------------------------|------------------------------|--|-----------------------|---|---|
| \$ (68,721,527) | \$ 394,485,261 | \$ 0.70900 | \$ 2,796,901 | \$ (391,118) | \$ 2,405,783 | 100.00% |
| (66,589,508) | 418,685,581 | 0.72920 | 3,053,055 | (386,607) | 2,666,448 | 100.00% |
| (68,288,668) | 409,805,677 | 0.72280 | 2,962,075 | (410,114) | 2,551,961 | 100.00% |
| (64,845,430) | 412,634,716 | 0.72270 | 2,982,111 | (394,028) | 2,588,083 | 100.00% |
| (68,854,298) | 425,679,589 | 0.72270 | 3,076,386 | (431,018) | 2,645,368 | 100.00% |
| (74,867,624) | 421,708,404 | 0.72270 | 3,047,687 | (480,236) | 2,567,451 | 100.00% |
| (73,449,458) | 445,394,699 | 0.73330 | 3,266,079 | (466,371) | 2,799,708 | 100.00% |
| (82,590,348) | 450,529,640 | 0.73330 | 3,303,734 | (536,304) | 2,767,430 | 100.00% |
| (99,921,193) | 510,142,716 | 0.72600 | 3,703,636 | (604,104) | 3,099,532 | 100.00% |
| (102,926,905) | 567,791,814 | 0.71070 | 4,035,296 | (593,298) | 3,441,998 | 100.00% |

CITY OF LOCKHART, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
PER \$100 OF ASSESSED VALUE
Last ten fiscal years

| Fiscal Year | City Direct Rates | | | Overlapping Rates | | | | | |
|-------------|-------------------|--------------|----------|-------------------|------------------------------|----------------------------------|-----------------|-------------------|-----------|
| | Debt Service | General Fund | Total | Lockhart ISD | Plum Creek Underground Water | Plum Creek Conservation District | Caldwell County | Farm to Market Rd | Total |
| 2010 | \$0.1160 | \$0.5930 | \$0.7090 | \$ 1.2300 | \$ 0.0185 | \$ 0.0185 | \$ 0.6908 | \$ 0.0002 | \$ 1.9580 |
| 2011 | 0.1160 | 0.6132 | 0.7292 | 1.1948 | 0.0195 | 0.0195 | 0.6909 | 0.0001 | 1.9248 |
| 2012 | 0.1150 | 0.6078 | 0.7228 | 1.1882 | 0.0200 | 0.0200 | 0.6908 | 0.0001 | 1.9191 |
| 2013 | 0.1150 | 0.6077 | 0.7227 | 1.1868 | 0.0210 | 0.0210 | 0.6907 | 0.0001 | 1.9196 |
| 2014 | 0.1150 | 0.6077 | 0.7227 | 1.1795 | 0.0220 | 0.0220 | 0.6906 | 0.0001 | 1.9142 |
| 2015 | 0.1150 | 0.6077 | 0.7227 | 1.4291 | 0.0220 | 0.0220 | 0.6905 | 0.0001 | 2.1637 |
| 2016 | 0.1366 | 0.5967 | 0.7333 | 1.3305 | 0.0215 | 0.0225 | 0.7174 | 0.0001 | 2.0920 |
| 2017 | 0.1300 | 0.6033 | 0.7333 | 1.3324 | 0.0215 | 0.0230 | 0.7752 | 0.0001 | 2.1522 |
| 2018 | 0.1183 | 0.6077 | 0.7260 | 1.3324 | 0.0214 | 0.0232 | 0.7752 | 0.0001 | 2.1523 |
| 2019 | 0.1076 | 0.6031 | 0.7107 | 1.3324 | 0.0214 | 0.0232 | 0.7752 | 0.0001 | 2.1523 |

SOURCE: Caldwell County Tax Office

CITY OF LOCKHART, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
(UNAUDITED)
Current Year and Nine Years Ago

| 2019 | | |
|---------------------------|----------------------------|---|
| Taxpayer | Taxable Assessed Valuation | Percentage of Total City Taxable Assessed Valuation |
| Wal-Mart Stores Texas | \$ 9,027,430 | 1.35% |
| Economy Realty, LTD | 7,637,710 | 1.14% |
| LCRA Transmission Group | 5,526,490 | 0.82% |
| Lockhart DMA Housing LLC | 5,100,000 | 0.76% |
| H.E.B. Grocery | 4,984,010 | 0.74% |
| Wal-Mart Properties, Inc. | 4,474,210 | 0.67% |
| Lockhart Village Partners | 4,004,560 | 0.60% |
| Dormae Products, Inc. | 3,537,020 | 0.53% |
| Stanton XT VRH Holdings | 3,137,480 | 0.47% |
| Bluebonnet Electric Coop | 3,032,560 | 0.45% |
| | <u>\$ 50,461,470</u> | <u>7.53%</u> |

| 2010 | | |
|------------------------------------|----------------------------|---|
| Taxpayer | Taxable Assessed Valuation | Percentage of Total City Taxable Assessed Valuation |
| TJ Lambert Construction | \$ 7,407,220 | 1.60% |
| Dormae Products, Inc. | 4,357,500 | 0.94% |
| Lockhart DMA Housing LLC | 3,982,460 | 0.86% |
| LCRA Transmission Svc Corp | 3,592,760 | 0.78% |
| H.E.B. Grocery | 3,547,240 | 0.77% |
| Wal-Mart Properties, Inc. | 3,136,970 | 0.68% |
| Caterpillar Financial | 2,881,000 | 0.62% |
| Tri-State Facilities Lockhart, LLC | 2,808,410 | 0.61% |
| Economy Realty LTD | 6,561,300 | 1.42% |
| Lockhart Place | 2,323,080 | 0.50% |
| | <u>\$ 40,597,940</u> | <u>8.78%</u> |

SOURCE: Caldwell County Appraisal District

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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 |
| 2010 | \$ 3,180,473 | \$ - | \$ 3,180,473 | \$ 3,077,529 | 96.76% |
| 2011 | 3,425,914 | - | 3,425,914 | 3,260,387 | 95.17% |
| 2012 | 3,358,174 | (260) | 3,357,914 | 3,262,606 | 97.16% |
| 2013 | 3,358,263 | (313) | 3,357,950 | 3,257,113 | 97.00% |
| 2014 | 3,441,841 | (2,067) | 3,439,774 | 3,355,665 | 97.55% |
| 2015 | 3,511,080 | (1,991) | 3,509,089 | 3,417,024 | 97.38% |
| 2016 | 3,712,656 | (4,160) | 3,708,496 | 3,622,625 | 97.68% |
| 2017 | 3,896,845 | (6,975) | 3,889,870 | 3,801,816 | 97.74% |
| 2018 | 4,608,371 | (1,798) | 4,606,573 | 4,230,062 | 91.83% |
| 2019 | 4,766,798 | - | 4,766,798 | 4,517,361 | 94.77% |

NOTES: Collections do not include penalty and interest.

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

SOURCE: Caldwell County Tax Office

| Collections in Subsequent Years | Total Collections to Date | |
|---------------------------------------|---------------------------|-----------------------|
| | Amount | Percentage of Levy |
| \$ 82,193 | \$ 3,159,722 | 99.35% |
| 58,819 | 3,319,206 | 96.89% |
| 74,348 | 3,336,954 | 99.38% |
| 64,258 | 3,321,371 | 98.91% |
| 72,052 | 3,427,717 | 99.65% |
| 58,657 | 3,475,681 | 99.05% |
| 79,321 | 3,701,946 | 99.82% |
| 78,694 | 3,880,510 | 99.76% |
| 61,554 | 4,291,616 | 93.16% |
| - | 4,517,361 | 94.77% |

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 |
| 2010 | 112,270,132 | 101,574,566 | 10,695,566 | 10% | \$ 10.00 | \$ 0.0202 |
| 2011 | 116,507,675 | 108,976,737 | 7,530,938 | 6% | 10.00 | 0.0202 |
| 2012 | 112,093,344 | 97,543,951 | 14,549,393 | 13% | 10.00 | 0.0202 |
| 2013 | 108,361,349 | 98,539,092 | 9,822,257 | 9% | 10.82 | 0.0202 |
| 2014 | 111,416,750 | 103,167,845 | 8,248,905 | 7% | 10.82 | 0.0202 |
| 2015 | 113,918,033 | 104,171,535 | 9,746,498 | 9% | 10.82 | 0.0202 |
| 2016 | 112,447,919 | 101,868,831 | 10,579,088 | 9% | 11.32 | 0.01896 |
| 2017 | 114,910,305 | 104,995,443 | 9,914,862 | 9% | 22.20 | 0.01896 |
| 2018 | 122,944,319 | 114,446,577 | 8,497,742 | 7% | 22.60 | 0.02156 |
| 2019 | 122,837,459 | 114,115,638 | 8,721,821 | 7% | 23.10 | 0.02156 |

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

CITY OF LOCKHART, TEXAS

ELECTRIC RATES

Last ten fiscal years

| | Fiscal Year | | | |
|--------------------------|-------------|----------|----------|----------|
| | 2010 | 2011 | 2012 | 2013 |
| Electric Rates (per KWH) | | | | |
| Base Rate | \$ 10.00 | \$ 10.00 | \$ 10.00 | \$ 10.82 |
| Electric Usage Rate | | | | |
| 0 - 1,200 kwh | 0.02020 | 0.02020 | 0.02020 | 0.02020 |
| 1,201 + | 0.02910 | 0.02910 | 0.02910 | 0.02910 |
| + all kwh | - | - | - | - |

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

| Fiscal Year | | | | | |
|-------------|----------|----------|----------|----------|----------|
| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| \$ 10.82 | \$ 10.82 | \$ 11.32 | \$ 22.20 | \$ 22.60 | \$ 23.10 |
| 0.02020 | 0.02020 | 0.01896 | 0.01896 | 0.02156 | 0.02156 |
| 0.02910 | 0.02910 | 0.03250 | 0.03250 | 0.03510 | 0.03510 |
| - | - | 0.00225 | 0.00225 | 0.00225 | 0.00225 |

CITY OF LOCKHART, TEXAS
TEN LARGEST ELECTRIC CUSTOMERS
(UNAUDITED)
Current Year and Nine Years Ago

2019

| <u>Customer</u> | <u>Type of Business</u> | <u>12-Month Electric Consumption per kWh</u> | <u>Percent of Total Billed</u> |
|------------------------------------|-------------------------|--|--|
| MTC/Lockhart Correctional Facility | Private Public Safety | 3,982,480 | 3.52% |
| Pure Castings | Retail | 2,777,250 | 2.46% |
| H.E.B. Stores | Retail | 2,572,000 | 2.27% |
| Livingood Feeds | Retail | 1,339,200 | 1.18% |
| Lockhart High School | Public School | 1,299,750 | 1.15% |
| Caldwell County Jail | Government | 1,185,600 | 1.05% |
| Dormae/Serta Products | Production | 1,183,800 | 1.05% |
| G.B.R.A. | Service | 1,124,640 | 0.99% |
| Pinnacle Health Facility | Healthcare | 898,560 | 0.79% |
| Bluebonnet Elementary | Public School | 874,200 | 0.77% |

2010

| <u>Customer</u> | <u>Type of Business</u> | <u>12-Month Electric Consumption per kWh</u> | <u>Percent of Total Billed</u> |
|----------------------------|-------------------------|--|--|
| H.E.B. Stores | Retail | 2,721,600 | 2.73% |
| Dormae/Serta Products | Production | 1,359,600 | 1.36% |
| Caldwell County Jail | Government | 1,291,200 | 1.30% |
| G.B.R.A. | Service | 1,176,600 | 1.18% |
| Henderson Controls | Production | 1,065,840 | 1.07% |
| Livingood Feeds | Retail | 962,400 | 0.97% |
| Lockhart I.S.D. | Public School | 956,800 | 0.96% |
| Bluebonnet Elementary | Public School | 586,500 | 0.59% |
| Kinlock, LLC DBA McDonalds | Service | 577,080 | 0.58% |
| Golden Age Home | Healthcare | 477,520 | 0.48% |

CITY OF LOCKHART, TEXAS

WATER PRODUCED AND CONSUMED AND WASTEWATER TREATED

Last ten fiscal years

| <u>Fiscal Year</u> | <u>Gallons of Water Produced</u> | <u>Gallons of Water Consumed</u> | <u>Gallons of Water Unbilled</u> | <u>Average Percent Unbilled</u> | <u>Gallons of Wastewater Treated</u> |
|--------------------|----------------------------------|----------------------------------|----------------------------------|---------------------------------|--------------------------------------|
| 2010 | 540 | 473 | 67 | 12% | 466 |
| 2011 | 608 | 550 | 58 | 10% | 416 |
| 2012 | 589 | 514 | 75 | 13% | 481 |
| 2013 | 546 | 465 | 81 | 15% | 398 |
| 2014 | 534 | 478 | 56 | 11% | 414 |
| 2015 | 522 | 476 | 46 | 9% | 482 |
| 2016 | 545 | 461 | 84 | 15% | 487 |
| 2017 | 544 | 466 | 77 | 14% | 451 |
| 2018 | 575 | 481 | 95 | 16% | 399 |
| 2019 | 526 | 460 | 66 | 13% | 367 |

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

| Total Direct Rate | | | |
|-------------------|------------|-----------|------------|
| Water | | Sewer | |
| Base Rate | Usage Rate | Base Rate | Usage Rate |
| \$ 20.75 | \$ 3.90 | \$ 14.16 | \$ 4.67 |
| 20.75 | 3.90 | 14.16 | 4.67 |
| 20.75 | 3.90 | 14.16 | 4.67 |
| 22.10 | 3.90 | 15.51 | 4.67 |
| 22.10 | 3.90 | 15.51 | 4.67 |
| 22.10 | 3.90 | 15.51 | 4.67 |
| 22.10 | 3.90 | 15.51 | 4.67 |
| 22.10 | 3.90 | 15.51 | 4.67 |
| 22.60 | 4.50 | 15.51 | 4.67 |
| 23.10 | 4.80 | 15.51 | 4.67 |

CITY OF LOCKHART, TEXAS

WATER AND SEWER RATES

Last ten fiscal years

| | Fiscal Year | | | |
|---------------------------------|-------------|----------|----------|----------|
| | 2010 | 2011 | 2012 | 2013 |
| Water Rates (per 2,000 gallons) | | | | |
| Base Rate | \$ 20.75 | \$ 20.75 | \$ 20.75 | \$ 22.10 |
| Water Usage Rate | | | | |
| 2,001-6,000 | 3.90 | 3.90 | 3.90 | 3.90 |
| 6,001-8,000 | 4.15 | 4.15 | 4.15 | 4.15 |
| 8,001-10,000 | 4.40 | 4.40 | 4.40 | 4.40 |
| >10,001 | 5.15 | 5.15 | 5.15 | 5.15 |
| Sewer Rates (per 2,000 gallons) | | | | |
| Base Rate | 14.16 | 14.16 | 14.16 | 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.

| | | Fiscal Year | | | | | | | |
|----|-------|-------------|-------|------|-------|------|-------|----|-------|
| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | | |
| \$ | 22.10 | \$ | 22.10 | \$ | 22.10 | \$ | 22.60 | \$ | 23.10 |
| | 3.90 | | 3.90 | | 3.90 | | 4.50 | | 4.80 |
| | 4.15 | | 4.15 | | 4.15 | | 4.75 | | 5.05 |
| | 4.40 | | 4.40 | | 4.40 | | 5.00 | | 5.30 |
| | 5.15 | | 5.15 | | 5.15 | | 5.75 | | 6.05 |
| | 15.51 | | 15.51 | | 15.51 | | 15.51 | | 15.51 |
| | 4.67 | | 4.67 | | 4.67 | | 4.67 | | 4.67 |

CITY OF LOCKHART, TEXAS
TEN LARGEST WATER CUSTOMERS
(UNAUDITED)
Current Year and Nine Years Ago

| 2019 | | | |
|------------------------------------|-----------------------|----------------------------|-------------------------|
| Customer | Type of Business | 12-Month Water Consumption | Percent of Total Billed |
| MTC/Lockhart Correctional Facility | Private Public Safety | 57,836 | 32.31% |
| Caldwell County Jail | Government | 8,910 | 4.98% |
| Pinnacle Health Facility | Healthcare | 4,736 | 2.65% |
| City of Lockhart Airport | Government | 3,504 | 1.96% |
| Wal-Mart Store | Retail | 3,312 | 1.85% |
| Brite & Shiny Carwash | Service | 2,480 | 1.39% |
| Diversicare Corporation | Healthcare | 2,443 | 1.36% |
| Plum Creek Hospitality | Hospitality | 2,353 | 1.31% |
| Town Laundromat | Service | 2,183 | 1.22% |
| H.E.B. Stores | Retail | 2,015 | 1.13% |

| 2010 | | | |
|----------------------------|------------------|----------------------------|-------------------------|
| Customer | Type of Business | 12-Month Water Consumption | Percent of Total Billed |
| Caldwell County Jail | Government | 6,361 | 3.83% |
| Lockhart High School Track | Public School | 3,944 | 2.38% |
| City of Lockhart Airport | Government | 2,682 | 1.62% |
| Lockhart ISD | Public School | 2,498 | 1.51% |
| Diversicare Corporation | Healthcare | 2,131 | 1.28% |
| Town Laundromat | Service | 1,728 | 1.04% |
| JAADI Corporation | Hospitality | 1,546 | 0.93% |
| G&G Laundromat | Service | 1,507 | 0.91% |
| H.E.B. Store | Retail | 1,433 | 0.86% |
| Brite & Shiny Carwash | Service | 1,425 | 0.86% |

CITY OF LOCKHART, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last ten fiscal years

| Fiscal Year | Governmental Activities | | | | Business-type Activities | |
|-------------|----------------------------|--------------------------|----------------|-------------------------|----------------------------|--------------------------|
| | Certificates of Obligation | General Obligation Bonds | Capital Leases | Plus: Issuance Premiums | Certificates of Obligation | General Obligation Bonds |
| 2010 | \$ 8,859,453 | \$ 2,677,222 | \$ 522,507 | \$ - | \$ 445,547 | \$ 5,737,778 |
| 2011 | 8,552,366 | 2,227,282 | 352,141 | - | 382,634 | 5,202,718 |
| 2012 | 8,225,979 | 1,812,396 | 179,161 | - | 319,021 | 4,577,604 |
| 2013 | 7,889,937 | 1,382,225 | - | - | 250,061 | 3,927,775 |
| 2014 | 7,539,595 | 936,771 | - | - | 180,404 | 3,253,229 |
| 2015 | 14,875,686 | 476,031 | - | 278,388 | 9,089,313 | 2,553,969 |
| 2016 | 9,381,395 | 4,887,402 | - | 835,806 | 9,073,608 | 1,877,593 |
| 2017 | 8,794,235 | 4,887,052 | - | 774,293 | 8,850,765 | 1,762,948 |
| 2018 | 8,192,765 | 4,887,052 | - | 712,782 | 8,607,235 | 1,642,948 |
| 2019 | 7,707,775 | 4,681,243 | - | 651,271 | 8,352,225 | 1,573,757 |

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

| Business-type Activities | | | | | |
|--------------------------|---------------------------------|-------------------------------|--------------------------------|-------------------------------------|---------------|
| Capital Leases | State Infrastructure Loan | Plus: Issuance Premiums | Total Primary Government | Percentage of Personal Income | Per Capita |
| \$ 2,721,988 | \$ - | \$ - | \$ 23,641,717 | 5.9% | \$ 1,863 |
| 2,429,499 | - | - | 19,146,640 | 4.8% | 1,509 |
| 2,111,646 | - | 3,054 | 17,228,861 | 4.3% | 1,358 |
| 1,766,382 | 3,600,000 | 2,036 | 18,818,416 | 4.7% | 1,483 |
| 1,420,920 | 3,459,070 | 1,018 | 16,791,007 | 4.2% | 1,323 |
| 1,045,473 | 3,314,617 | 324,792 | 31,958,269 | 8.0% | 2,519 |
| 643,534 | 3,166,553 | 500,572 | 30,366,463 | 7.5% | 2,393 |
| 219,939 | 3,014,787 | 468,308 | 28,772,327 | 6.9% | 2,268 |
| 104,350 | 2,859,227 | 436,047 | 27,442,406 | 6.0% | 1,971 |
| 86,958 | 2,699,779 | 403,786 | 26,156,794 | 5.7% | 1,879 |

CITY OF LOCKHART, TEXAS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last ten fiscal years

| Fiscal Year | General Bonded Debt Outstanding | | | | Debt Service Monies Available |
|-------------|---------------------------------|--------------------------|-------------------------|---------------|-------------------------------|
| | Certificates of Obligation | General Obligation Bonds | Plus: Issuance Premiums | Total | |
| 2010 | \$ 8,859,453 | \$ 2,677,222 | \$ - | \$ 11,536,675 | \$ 717,931 |
| 2011 | 8,552,366 | 2,227,282 | - | 10,779,648 | 650,361 |
| 2012 | 8,225,979 | 1,812,396 | - | 10,038,375 | 499,163 |
| 2013 | 7,889,937 | 1,382,225 | - | 9,272,162 | 515,468 |
| 2014 | 7,539,595 | 936,771 | - | 8,476,366 | 429,226 |
| 2015 | 14,875,686 | 476,031 | 278,388 | 15,630,105 | 362,919 |
| 2016 | 9,381,395 | 4,887,402 | 835,806 | 15,104,603 | 278,089 |
| 2017 | 8,794,235 | 4,887,052 | 774,293 | 14,455,580 | 285,621 |
| 2018 | 8,192,765 | 4,887,052 | 712,782 | 13,792,599 | 240,674 |
| 2019 | 7,707,775 | 4,681,243 | 651,271 | 13,040,289 | 203,016 |

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

| <u>Net Bonded Debt</u> | <u>Percentage of Actual Taxable Value of Property</u> | <u>Per Capita</u> |
|--------------------------------|---|-----------------------|
| \$ 10,818,744 | 2.23% | \$ 853 |
| 10,129,287 | 2.12% | 798 |
| 9,539,212 | 2.00% | 752 |
| 8,756,694 | 1.77% | 690 |
| 8,047,140 | 1.62% | 634 |
| 15,267,186 | 2.94% | 1,203 |
| 14,826,514 | 2.78% | 1,168 |
| 14,169,959 | 2.32% | 1,117 |
| 13,551,925 | 2.22% | 973 |
| 12,837,273 | 1.91% | 922 |

CITY OF LOCKHART, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

(UNAUDITED)

September 30, 2019

| | <u>Gross Debt Outstanding</u> | | <u>Percentage Applicable to City</u> | <u>Amount Applicable to City</u> |
|---|-------------------------------|----------------------|--|--|
| | <u>Date</u> | <u>Amount</u> | | |
| Direct Debt: | | | | |
| City of Lockhart | 9/30/2019 | <u>\$ 13,040,289</u> | 100.00% | <u>\$ 13,040,289</u> |
| Overlapping Debt: | | | | |
| Caldwell County | 9/30/2019 | 16,625,000 | 30.86% | 5,130,475 |
| Lockhart Independent School District | 6/30/2019 | <u>70,200,000</u> | 47.67% | <u>33,464,340</u> |
| Total Overlapping Debt | | <u>86,825,000</u> | | <u>38,594,815</u> |
| Total | | <u>\$ 99,865,289</u> | | <u>\$ 51,635,104</u> |

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
 (UNAUDITED)
 Last ten fiscal years

| Fiscal Year | (1) Population | Personal Income | (2) Per Capita Personal Income | (3) School Enrollment | (4) Unemployment Rate |
|-------------|-------------------|-----------------|-----------------------------------|--------------------------|--------------------------|
| 2010 | 12,689 | \$ 398,637,624 | \$ 31,416 | 4,684 | 8.1% |
| 2011 | 12,689 | 398,637,624 | 31,416 | 4,767 | 7.4% |
| 2012 | 12,689 | 398,637,624 | 31,416 | 4,968 | 6.4% |
| 2013 | 12,689 | 398,637,624 | 31,416 | 5,130 | 5.3% |
| 2014 | 12,689 | 398,637,624 | 31,416 | 5,366 | 4.2% |
| 2015 | 12,689 | 398,637,624 | 31,416 | 5,393 | 4.0% |
| 2016 | 12,689 | 404,131,961 | 31,849 | 5,699 | 4.0% |
| 2017 | 12,689 | 417,328,521 | 32,889 | 5,910 | 3.4% |
| 2018 | 13,924 | 457,946,436 | 32,889 | 6,120 | 3.4% |
| 2019 | 13,924 | 457,946,436 | 32,889 | 6,160 | 3.2% |

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

- SOURCES: (1) Population based on U.S. Census Bureau
 (2) U.S. Department of Commerce, Bureau of Economic Analysis (for Caldwell County)
 (3) Lockhart Independent School District
 (4) U.S. Department of Labor - Bureau of Labor (for Caldwell County)

CITY OF LOCKHART, TEXAS
PRINCIPAL EMPLOYERS
(UNAUDITED)
Current Year and Nine Years Ago

2019

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

2010

| <u>Employer</u> | <u>Employees</u> | <u>Percentage of Total City Employment</u> |
|-----------------------------|------------------|--|
| 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% |
| | <u>1,911</u> | <u>9.63%</u> |

SOURCE: Municipal Advisory Council of Texas

CITY OF LOCKHART, TEXAS

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

Last ten fiscal years

| Function/Program | Fiscal Year | | | |
|--------------------------|--------------|--------------|--------------|--------------|
| | 2010 | 2011 | 2012 | 2013 |
| General government | | | | |
| City manager | 3.0 | 4.0 | 3.0 | 3.0 |
| City secretary | 1.0 | 1.0 | 1.0 | 1.0 |
| Finance | 5.0 | 5.0 | 5.0 | 5.0 |
| Municipal court | 5.0 | 5.0 | 5.0 | 5.0 |
| Library | 9.0 | 9.0 | 8.0 | 9.0 |
| Parks and recreation | 7.0 | 7.0 | 7.0 | 7.0 |
| Code enforcement | 2.0 | 2.0 | 2.0 | 3.0 |
| Planning and development | 5.0 | 5.0 | 5.0 | 3.0 |
| Public safety | | | | |
| Police | 24.0 | 25.0 | 24.0 | 26.0 |
| Communications | 9.0 | 10.0 | 9.0 | 11.0 |
| Fire | 19.0 | 25.0 | 18.0 | 19.0 |
| Public works | | | | |
| Public works | 3.0 | 3.0 | 3.0 | 3.0 |
| Animal control | 7.0 | 7.0 | 7.0 | 6.0 |
| Garage | 4.0 | 4.0 | 4.0 | 3.0 |
| Streets | 13.0 | 11.0 | 11.0 | 12.0 |
| Electric | | | | |
| Utility billing | 4.0 | 5.0 | 5.0 | 6.0 |
| Utility distribution | 10.0 | 9.0 | 8.0 | 8.0 |
| Water/wastewater | | | | |
| Water operations | 6.0 | 6.0 | 6.0 | 6.0 |
| Sewer operations | 1.0 | 1.0 | 1.0 | 1.0 |
| Sanitation | | | | |
| Operations | - | - | 2.0 | 2.0 |
| Economic Development | 2.0 | 2.0 | 1.0 | 2.0 |
| EMS | 25.0 | 29.0 | 32.0 | - |
| Total | 164.0 | 175.0 | 167.0 | 141.0 |

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| Fiscal Year | | | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|
| <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
| 3.0 | 3.0 | 4.0 | 4.0 | 5.0 | 5.0 |
| 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 5.0 | 5.0 | 5.0 | 5.0 | 4.0 | 5.0 |
| 5.0 | 5.0 | 5.0 | 4.0 | 4.0 | 4.0 |
| 9.0 | 9.0 | 10.0 | 9.0 | 9.0 | 9.0 |
| 6.0 | 7.0 | 7.0 | 7.0 | 7.0 | 8.0 |
| 2.0 | 2.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| 25.0 | 25.0 | 25.0 | 28.0 | 30.0 | 29.0 |
| 10.0 | 8.0 | 9.0 | 9.0 | 10.0 | 9.0 |
| 19.0 | 16.0 | 18.0 | 15.0 | 14.0 | 14.0 |
| 3.0 | 3.0 | 3.0 | 3.0 | 2.0 | 2.0 |
| 6.0 | 5.0 | 8.0 | 8.0 | 8.0 | 7.0 |
| 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| 10.0 | 14.0 | 13.0 | 12.0 | 12.0 | 12.0 |
| 6.0 | 6.0 | 6.0 | 5.0 | 6.0 | 6.0 |
| 7.0 | 9.0 | 9.0 | 9.0 | 8.0 | 9.0 |
| 6.0 | 5.0 | 5.0 | 5.0 | 5.0 | 6.0 |
| 2.0 | 2.0 | 3.0 | 3.0 | 4.0 | 3.0 |
| 1.0 | 1.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| 1.0 | 2.0 | 1.0 | 2.0 | 2.0 | 2.0 |
| - | - | - | - | - | - |
| <u>134.0</u> | <u>135.0</u> | <u>144.0</u> | <u>141.0</u> | <u>143.0</u> | <u>143.0</u> |

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CITY OF LOCKHART, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last ten fiscal years

| Function/Program | Fiscal Year | | | |
|---------------------------------|-------------|-----------|-----------|-----------|
| | 2010 | 2011 | 2012 | 2013 |
| General government | | | | |
| Building permits issued | 296 | 646 | 332 | 345 |
| Building inspections conducted | 1,994 | 2,049 | 1,872 | 1,934 |
| Public safety | | | | |
| Police | | | | |
| Physical arrests | 713 | 713 | 648 | 652 |
| Traffic violations | 4,664 | 2,893 | 4,335 | 3,396 |
| Fire | | | | |
| Fire calls | 1,354 | 1,731 | 1,825 | 1,918 |
| Public works | | | | |
| Streets (miles) | 65 | 65 | 65 | 65 |
| Culture and recreation | | | | |
| Parks and recreation | | | | |
| Park rental | 120 | 147 | 120 | 114 |
| Swimming pool | | | | |
| Single admissions | 8,876 | 10,748 | 8,762 | 7,624 |
| Party rentals | 50 | 64 | 51 | 49 |
| Electric | | | | |
| New connections | 11 | 11 | 1 | 10 |
| Average daily consumption (kwh) | 278,286 | 298,566 | 267,244 | 269,970 |
| Water and wastewater | | | | |
| Water | | | | |
| New connections/taps | 14 | 10 | 20 | 21 |
| Average daily consumption | 1.30 mgd | 1.51 mgd | 1.41 mgd | 1.27 mgd |
| Peak daily consumption | 2.540 mgd | 2.478 mgd | 2.625 mgd | 2.220 mgd |
| Wastewater | | | | |
| Average daily sewage treatment | 1.27 mgd | 1.14 mgd | 1.32 mgd | 1.09 mgd |
| EMS | | | | |
| Ambulance loads | * | * | * | 2,670 |

NOTE: * EMS Ambulance loads not available 2010-2012; EMS was operated by Seton Health Care

| Fiscal Year | | | | | |
|-------------|-----------|-----------|-----------|-----------|-----------|
| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| 681 | 604 | 647 | 495 | 444 | 542 |
| 2,433 | 1,784 | 1,613 | 1,716 | 2,179 | 2,282 |
| 417 | 398 | 628 | 596 | 934 | 862 |
| 3,372 | 1,701 | 2,149 | 3,251 | 5,708 | 6,281 |
| 2,111 | 1,564 | 1,386 | 1,501 | 1,356 | 1,406 |
| 65 | 65 | 65 | 65 | 65 | 66 |
| 106 | 75 | 91 | 107 | 73 | 85 |
| 5,304 | 7,529 | 8,554 | 8,289 | 6,883 | 6,596 |
| 47 | 35 | 50 | 34 | 32 | 33 |
| 18 | 7 | 9 | 11 | 18 | 23 |
| 282,652 | 285,401 | 279,093 | 287,659 | 313,552 | 312,646 |
| 149 | 62 | 139 | 56 | 78 | 61 |
| 1.31 mgd | 1.30 mgd | 1.26 mgd | 1.18 mgd | 1.32 mgd | 1.26 mgd |
| 2.360 mgd | 2.192 mgd | 2.075 mgd | 2.118 mgd | 2.263 mgd | 2.160 mgd |
| 1.13 mgd | 1.32 mgd | 1.34 mgd | 1.24 mgd | 1.09 mgd | 1.00 mgd |
| 2,772 | 2,867 | 2,989 | 3,106 | 3,207 | 3,199 |

CITY OF LOCKHART, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last ten fiscal years

| Function/Program | Fiscal Year | | | |
|---------------------------------|-------------|----------|----------|----------|
| | 2010 | 2011 | 2012 | 2013 |
| Public safety | | | | |
| Police | | | | |
| Stations | 1 | 1 | 1 | 1 |
| Patrol units | 23 | 23 | 21 | 22 |
| Fire stations | 1 | 1 | 1 | 1 |
| Highways and streets | | | | |
| Streets (miles) | 64.7 | 64.7 | 64.7 | 64.7 |
| Streetlights | 1,763 | 1,794 | 1,799 | 1,810 |
| School zone flashers | 2 | 2 | 2 | 2 |
| Culture and recreation | | | | |
| Acreage | 115 | 115 | 115 | 115 |
| Parks | 10 | 10 | 10 | 10 |
| Baseball/softball diamonds | 6 | 6 | 6 | 6 |
| Soccer fields | 8 | 8 | 8 | 8 |
| Swimming pools | 1 | 1 | 1 | 1 |
| Electric | | | | |
| Electric lines (miles) | 75 | 75 | 75 | 76 |
| Number of distribution stations | 1 | 1 | 1 | 1 |
| Capacity sold (MwH) | 101,574 | 108,976 | 97,544 | 98,539 |
| Water and wastewater | | | | |
| Water | | | | |
| Water mains (miles) | 87.1 | 87.1 | 87.1 | 87.1 |
| Fire hydrants | 610 | 625 | 635 | 640 |
| Storage capacity | 1.05 mgd | 1.05 mgd | 1.05 mgd | 1.05 mgd |
| Wastewater | | | | |
| Sanitary sewers (miles) | 76 | 76 | 76 | 76 |
| Storm sewers (miles) | 0 | 0 | 0 | 0 |
| Treatment capacity | 2.6 mgd | 2.6 mgd | 2.6 mgd | 2.6 mgd |

| Fiscal Year | | | | | | |
|-------------|----------|----------|----------|----------|----------|---|
| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 22 | 22 | 22 | 26 | 28 | 29 | |
| - | | | | | | |
| 1 | 1 | 1 | 1 | 1 | 2 | |
| 64.7 | 64.7 | 64.7 | 65.2 | 65.2 | 65.9 | |
| 1,824 | 1,825 | 1,838 | 1,838 | 1,844 | 1,856 | |
| 2 | 2 | 2 | 2 | 2 | 2 | |
| 115 | 115 | 115 | 115 | 115 | 115 | |
| 10 | 10 | 10 | 10 | 10 | 10 | |
| 6 | 6 | 6 | 6 | 6 | 6 | |
| 8 | 8 | 8 | 8 | 8 | 8 | |
| 1 | 1 | 1 | 1 | 1 | 1 | |
| 77 | 77 | 77 | 77 | 80 | 80 | |
| 1 | 2 | 2 | 2 | 2 | 2 | |
| 103,168 | 104,172 | 101,869 | 104,995 | 114,447 | 114,116 | |
| 87.4 | 87.4 | 87.4 | 92.1 | 92.1 | 93.7 | |
| 650 | 660 | 675 | 685 | 700 | 729 | |
| 1.05 mgd | 1.05 mgd | 1.05 mgd | 1.05 mgd | 1.05 mgd | 1.05 mgd | |
| 76 | 76 | 76 | 76 | 78 | 79 | |
| 0 | 0 | 0 | 0 | 0 | 0 | |
| 2.6 mgd | 2.6 mgd | 2.6 mgd | 2.6 mgd | 2.6 mgd | 2.6 mgd | |

**OVERALL COMPLIANCE AND
INTERNAL CONTROL SECTION**



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

The Honorable Mayor and Members
of the City Council
City of Lockhart, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 26, 2020. The financial statements of the Lockhart Economic Development Corporation were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Honorable Mayor and Members
of the City Council
City of Lockhart, Texas

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harrison, Waldrop & Uherek, LLP

HARRISON, WALDROP & UHEREK, L.L.P.
Certified Public Accountants

February 26, 2020

**REGULAR MEETING
LOCKHART CITY COUNCIL**

FEBRUARY 18, 2020

6:30 P.M.

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

Council present:

Mayor Pro-Tem Angie Gonzales-Sanchez
Councilmember Juan Mendoza
Councilmember Jeffry Michelson

Mayor Lew White
Councilmember Derrick David Bryant
Councilmember Kara McGregor
Councilmember Brad Westmoreland

Staff present:

Steven Lewis, City Manager
Monte Akers, City Attorney
Sean Kelley, Public Works Director
Ernest Pedraza, Police Chief

Connie Constancio, City Secretary
Miles Smith, Public Information Officer
Dan Gibson, City Planner

Citizens/Visitors Addressing the Council: Oscar Fogle and Tyler Sanderson of the Guadalupe-Blanco River Trust; and Citizens, Amanda West, Ian Stowe, Jeff Durst, Sally Daniels, and Nita Molina.

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:

PRESENTATION ONLY

A. PRESENTATION BY THE GUADALUPE-BLANCO RIVER TRUST TO GIVE UPDATE REGARDING THE PLUM CREEK WETLANDS.

Oscar Fogle, Trustee of the Guadalupe-Blanco River Trust (GBRT) provided information about how the GBRT was founded.

Tyler Sanderson, Executive Director of the GBRT provided an update regarding the Plum Creek Wetlands.

DISCUSSION ONLY

A. DISCUSS MINUTES OF THE CITY COUNCIL MEETING OF FEBRUARY 4, 2020.

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

B. DISCUSS THE 2019 RACIAL PROFILING REPORT.

Chief Pedraza provided the 2019 Racial Profiling Report. There was discussion.

C. DISCUSS CHANGE ORDER NO. 1 TO A CONTRACT WITH LANDMARK STRUCTURES OF FORT WORTH, TEXAS IN THE AMOUNT OF \$4,968.00 INCREASING THE CONTRACT TO \$1,720,968.00 FOR THE INSTALLATION OF ADDITIONAL GROUNDING AND LIGHTNING PROTECTION FOR THE NEW 500,000 GALLON ELEVATED WATER TANK LOCATED AT SH 130 AND FM 2001.

Mr. Kelley stated that as lightning protection is required for this project, Landmark Structures will place lightning protection above the obstruction light and ground the elevated tower. The initial change to provide this protection was \$7,468.00, however a credit of \$2,500 was received from reducing the size of the tank access tube from 60" in diameter to 48" diameter. This reduction still maintains all safety requirements. The added protection will also add an additional 3 days to the contractor's schedule, changing their projected date of completion from October 21, 2020 to October 24, 2020. Mr. Kelley recommended approval. There was discussion.

D. DISCUSS RESOLUTION 2020-05 APPOINTING MAYOR LEW WHITE AS THE CITY OF LOCKHART'S CLEAN AIR COALITION REPRESENTATIVE AS REQUIRED IN ARTICLE II OF THE CLEAN AIR COALITION OF THE CAPITAL AREA COUNCIL OF GOVERNMENTS BY-LAWS.

Mayor White stated that in March 2018, the City Council appointed him (Mayor White) as the City's representative to the Capital Area Council of Governments (CAPCOG) Clean Air Coalition (CAC). The term of appointment for a member of the CAC terminates on December 31st in odd numbered years. If approved, Mayor White's term will continue until December 2021. There was discussion.

RECESS: Mayor White announced that the Council would recess for a break at 7:10 p.m.

REGULAR MEETING

ITEM 1. CALL TO ORDER.

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

ITEM 2. INVOCATION, PLEDGE OF ALLEGIANCE.

Councilmember McGregor 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 regarding an issue that is not on the agenda.

ITEM 4-A. HOLD A PUBLIC HEARING ON APPLICATION ZC-20-02 BY AMANDA WEST AND IAN STOWE ON BEHALF OF TANK TOWN, LLC, FOR A ZONING CHANGE FROM RMD RESIDENTIAL MEDIUM DENSITY DISTRICT AND IL INDUSTRIAL LIGHT DISTRICT TO CHB COMMERCIAL HEAVY BUSINESS DISTRICT ON FIVE TRACTS KNOWN COLLECTIVELY AS 4.512 ACRES IN THE BYRD LOCKHART SURVEY, ABSTRACT NO. 17, LOCATED AT 804, 805, AND 807 PECOS STREET.

Mayor White opened the public hearing at 7:32 p.m.

Mr. Gibson stated that the subject property includes parcels on both sides of Pecos Street that are zoned IL Industrial Light District, except for the southern portion of 805 Pecos Street which is zoned RMD Residential Medium Density. The applicant proposes to develop the site and existing structures for uses allowed in the CHB district. 804 Pecos on the east side of the street, contains the grain silos and a metal warehouse building. The plan is for the 26 silos to be live-work units where there is commercial space at the bottom of each silo with living space above. The adjacent warehouse will become indoor parking for the residents. 805 Pecos Street, on the west side, contains two small buildings to be used as offices, and the pole barn behind them is proposed to be a special events facility, which will require approval of a specific use permit by the Planning and Zoning Commission. The warehouse building at 807 Pecos Street will retain its current use as a contractor's shop and material storage, and will be the maintenance facility for the remainder of the complex. The requested CHB zoning classification is not consistent with the Land Use Plan map designation of future Medium Density Residential for the area where the subject property is located, but neither is the current IL zoning. The city received a letter of support from the previous owner of the property, a petition in support containing 108 names, and a petition in opposition containing ten names representing eight addresses. Three people expressed concerns at the Planning and Zoning Commission hearing, but did not specifically say that they were opposed to the rezoning. One person other than the applicants spoke specifically in favor of the rezoning. Mr. Gibson stated that the Planning and Zoning Commission voted 5-2 to recommend approval and that staff recommends approval. There was discussion.

Mayor White requested the applicant to address the Council.

Amanda West and Ian Stowe, 428 Trinity Street, provided details about the proposed development that they believe would be beneficial to utilize the existing structures. He stated that they plan to refurbish the silos and use them as mixed-use structures. They requested approval of the zoning change. There was discussion.

Councilmember Bryant asked the applicants if they planned to sell the property if the development is not carried out as currently planned that would thereafter allow a commercial business to be established as allowed by-right in the CHB district. Ms. West replied that they do not intend to sell the property.

Mayor White requested citizens in favor of the zoning change to address the Council.

Jeff Durst, 410 Trinity Street, spoke in favor of the zoning change and the proposed mixed-use of the property that he believed would bring a positive vibe to the area.

Sally Daniel, Citizen, spoke in favor of the zoning change and the proposed use of the property.

Mayor White requested citizens against the zoning change to address the Council.

Nita Molina, 619 Wassa, expressed concern about the type of CHB business that will be allowed by-right if the mixed-use development is not carried out. She also requested to be notified about future development public hearings about the property. Mr. Gibson provided details about the development process. Mayor White suggested that staff communicate upcoming meetings about the development with Ms. Molina.

Mayor White requested additional citizens to address the Council. There were none. He closed the public hearing at 8:20 p.m.

ITEM 4-B. DISCUSSION AND/OR ACTION TO CONSIDER ORDINANCE 2020-03 AMENDING THE OFFICIAL ZONING MAP OF THE CITY OF LOCKHART, TEXAS, TO RECLASSIFY THE PROPERTY CONSISTING OF FIVE TRACTS KNOWN COLLECTIVELY AS 4.512 ACRES IN THE BYRD LOCKHART SURVEY, ABSTRACT NO. 17, LOCATED AT 804, 805, AND 807 PECOS STREET, FROM RMD RESIDENTIAL MEDIUM DENSITY DISTRICT AND IL INDUSTRIAL LIGHT DISTRICT TO CHB COMMERCIAL HEAVY BUSINESS DISTRICT.

Councilmember McGregor made a motion to approve Ordinance 2020-03, as presented. Councilmember Michelson seconded. Councilmember Bryant thanked Ms. West and Mr. Stowe for their dedication and stated that after his research, he found that the positives outweighed the potential negatives. The motion passed by a vote of 6-0-1, with Mayor Pro-Tem Sanchez abstaining.

ITEM 5. CONSENT AGENDA.

Councilmember McGregor requested that consent agenda item 5A be pulled.

Mayor Pro-Tem Sanchez made a motion to approve consent agenda items 5B, 5C and 5D. Councilmember Bryant seconded. The motion passed by a vote of 7-0.

The following are the consent agenda items that were approved:

5B: Approve the 2019 Racial Profiling Report.

5C: Approve Change Order No. 1 to a contract with Landmark Structures of Fort Worth, Texas in the amount of \$4,968.00 increasing the contract to \$1,720,968.00 for the installation of additional grounding and lightning protection for the new 500,000 Gallon Elevated Water Tank located at SH 130 and FM 2001.

5D: Approve Resolution 2020-05 appointing Mayor Lew White as the City of Lockhart's Clean Air Coalition Representative as required in Article II of the Clean Air Coalition of the Capital Area Council of Governments by-laws.

ITEM 5-A: APPROVE MINUTES OF THE CITY COUNCIL MEETING OF FEBRUARY 4, 2020.

Councilmember McGregor stated that she will abstain from the vote because she was not present at the meeting.

Councilmember Michelson made a motion to approve the February 4, 2020 minutes. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 6-0-1, with Councilmember McGregor abstaining.

ITEM 6-A. DISCUSSION AND/OR ACTION REGARDING APPOINTMENTS TO VARIOUS BOARDS, COMMISSIONS OR COMMITTEES.

Mayor White requested appointments to boards or commissions. There were none.

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

- Update regarding Lockhart EMS activity in 2019.
- Ribbon cutting ceremony at Fire Station No. 2 will be held on February 26 at 10:00 a.m.
- Retirement reception for Captain John Roescher will be held on Friday, February 28 at 2:00 p.m. in the Council Chambers.
- Lockhart Police Department entrance exam will be held on February 29, 2020.
- Tax aid in the Library has been very successful and continues every Monday from 9:00 a.m. to Noon and every Thursday, from 4:00 p.m. to 7:00 p.m.

- Household Hazardous Waste Collection Event will be held on Saturday, March 14 at City Park.
- KidFish and Welcome Spring Day will be held on Saturday, March 21 at City Park beginning at 9:00 a.m.
- 2020 Residential Citywide Cleanup Program scheduled on April 1, 8, 15 and 22, depending on customer location.
- Update regarding HOT Advisory Board meeting held on February 6th.

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

Councilmember Mendoza congratulated the Progressive Club for a successful banquet. He also congratulated Snap Fitness for their ribbon cutting this week.

Mayor Pro-Tem Sanchez expressed condolences to the families of Jessie Kelly and West Hellums for their loss. She congratulated the Caldwell County Go Texans Scholarship committee and to the Progressive Club for successful events. She reminded everyone that early voting began for the March 3, 2020 Primary Election.

Councilmember McGregor congratulated the Downtown Business Association for a successful First Friday.

Councilmember Bryant congratulated the Progressive Club for a successful banquet. He thanked St. Mary’s Catholic Church for allowing him to use their hall for the District 2 neighborhood meeting.

Mayor White congratulated the Progressive Club for a successful banquet. He expressed condolences to the families of Jessie Kelly and Carine Calfoun for their loss. He congratulated Chris Knudsen for his retirement and Captain John Roescher for his upcoming retirement on February 28. He invited everyone to the Fire Station No. 2 ribbon cutting next week.

ITEM 9. ADJOURNMENT.

The meeting was adjourned at 8:33 p.m.

PASSED and APPROVED this the 3rd day of March 2020.

CITY OF LOCKHART

Lew White, Mayor

ATTEST:

Connie Constancio, TRMC
City Secretary

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City of Lockhart, Texas

Council Agenda Item Briefing Data

COUNCIL MEETING DATE: March 3, 2020

AGENDA ITEM CAPTION: Discussion and/or action to consider Resolution 2020-09 in support of the 2020 U.S. Census.

ORIGINATING DEPARTMENT AND CONTACT: Administration – Miles Smith, Public Information Officer

ACTION REQUESTED:

ORDINANCE RESOLUTION CHANGE ORDER AGREEMENT
 APPROVAL OF BID AWARD OF CONTRACT CONSENSUS OTHER

BACKGROUND/SUMMARY/DISCUSSION: Getting a complete count in the U.S. Census, which occurs every 10 years, is important to the community's residents because it provides critical data that lawmakers, business owners, teachers and many others use to provide daily services, products and support. Every year, billions of dollars in federal funding go to hospitals, fire departments, schools, roads and other resources. The Census also determines how many representatives the state gets in the U.S. House of Representatives and how the lines are drawn that define congressional and state legislative districts.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:

Funds Required: n/a

Account Number: n/a

Funds Available: n/a

Account Name: n/a

Finance Review initials _____

FISCAL NOTE (if applicable):

Previous Council Action:

COMMITTEE/BOARD/COMMISSION ACTION: n/a

STAFF RECOMMENDATION/REQUESTED MOTION:

Staff recommends adoption of

Resolution 2020-09.

LIST OF SUPPORTING DOCUMENTS:

Department Head initials:

MS

City Manager's Review:

[Signature]

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RESOLUTION NO. 2020-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, SUPPORTING THE U.S. CENSUS BUREAU 2020.

WHEREAS, the U.S. Census Bureau is required by the U.S. Constitution to conduct a count of the population and provides a historic opportunity to help shape the foundation of our society and play an active role in American democracy; and

WHEREAS, the City of Lockhart is committed to ensuring every resident is counted; and

WHEREAS, federal and state funding is allocated to communities, and decisions are made on matters of national and local importance based, in part, on census data and housing; and

WHEREAS, census data helps determine how many seats each state will have in the U.S. House of Representatives and is necessary for an accurate and fair redistricting of state legislative seats, county and city councils and voting districts; and

WHEREAS, information from the 2020 Census and American Community Survey are vital tools for economic development, school district funding and increased employment.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lockhart, Texas, that:

1. The City Council supports the goals and ideals for the 2020 Census and will disseminate 2020 Census information.
2. The City Council encourages all City residents to participate in events and initiatives that will raise the overall awareness of the 2020 Census and increase participation.
3. The City Council encourages Census advocates to speak to City and Community Organizations.
4. The City Council supports census takers as they help our City complete an accurate count.
5. The City Council strives to achieve a complete and accurate count of all persons within our borders.

PASSED AND APPROVED on this 3rd day of March 2020.

CITY OF LOCKHART, TEXAS

Lew White, Mayor

ATTEST:

APPROVED AS TO FORM:

Connie Constancio, TRMC, City Secretary

Monte Akers, City Attorney

City of Lockhart, Texas

Council Agenda Item Briefing Data

COUNCIL MEETING DATE: March 3, 2020

AGENDA ITEM CAPTION:

Discussion and/or action to consider Resolution 2020-08 on an agreement with LCRA and McCoy Tree Service for tree trimming in the right-of-way and utility easements. This resolution will require an approval of Budget Amendment #42 increasing expenditures in the Electric Fund by \$100,000.00.

ORIGINATING DEPARTMENT AND CONTACT: Bob Leos, Electric Superintendent and Steve Lewis, City Manager

ACTION REQUESTED:

ORDINANCE RESOLUTION CHANGE ORDER AGREEMENT
 APPROVAL OF BID AWARD OF CONTRACT CONSENSUS OTHER

BACKGROUND/SUMMARY/DISCUSSION:

Budget Amendment #42 will increase expenditures in the Electric Fund by \$100,000.00. The Electric Fund budget will reflect a total of revenues at \$12,592,789 and total of expenditures at \$12,438,571.

The City's electric utility is a city owned and operated retail distribution system since 1939. The City does not own high voltage transmission facilities or generation resources. The distribution system includes approximately 75 miles of low voltage distribution feeders that traverse the City between substations and the customers. In 2017, the City contracted with LCRA to complete an Electric System Study to determine the adequacy of the existing distribution system, and to identify those improvements necessary to maintain reliable electric service over the next five-year time frame. The recommendation from the 2017 Study regarding tree trimming states:

2.10 Tree Trimming Program

It is recommended that the City continue the tree trimming program in an effort to reduce voltage flicker, outages, losses, and to improve public safety and satisfaction. Tree and tree limbs falling into power lines are the most common cause of outages. Downed power lines caused by falling trees are a public safety hazard. Limbs that touch power lines also increase the cost of purchased power by increasing losses. Finally, utilities that fail to maintain a tree trimming program frequently experience higher than normal expenses during severe storm conditions. Not only does the utility incur many hours of overtime, but they must also purchase additional inventory to replace damaged poles, wire and electric equipment. The City of Lockhart Tree Trimming program could keep the system clear with a tree trimming contractor on site once a year. It is estimated that this tree trimming program will cost about \$40,000 per year.

DISCUSSION:

Trees are valuable assets in commercial, private and public landscapes. Trees add aesthetic beauty, enhance the environment, and increase property values. These same trees, however, can be a major challenge for the City in terms of system reliability and expense. The City strives to maintain continuous electric service and public safety by striking a balance between nature's beauty and operational requirements. Tree-related power outages are more than just an inconvenience: They disrupt services to homes, businesses, medical facilities, schools and other important community services.

The City has an absolute right to deal with obstructions within its rights-of-way. This includes, but is not limited to, the pruning back of any trees or shrubbery that are affecting or could affect electrical distribution lines. Also, growth that originates from outside the right-of-way does not minimize the City's right to protect its infrastructure.

The City contracts with vegetation management companies to assist with the tree trimming program. Prior to trimming, door hangers (in English and Spanish) are left at the residences in the area and provide the name and phone number of the City's contractor.

McCoy Tree Surgery ("McCoy") specializes in vegetation management for the electric utility industry. McCoy's pruning methods comply with industry standards for safety and tree care, and are endorsed by the International Society of Arboriculture and the Tree Care Industry Association. There is no charge to customers for these services.

PROJECT SCHEDULE (if applicable):

Approximately 26 weeks of a 3-person crew for tree trimming services.

AMOUNT & SOURCE OF FUNDING:

Finance Review initials



Funds Required: \$100,000.00
Account Number: 500-5745-299
Funds Available: From excess revenues in Budget FY 19-20 (per budget amendment)
Account Name: Other Contracts & Services

FISCAL NOTE (if applicable):

During the 5-year period from FYE 14 through FYE 18, the City expended on average \$25,000/yr. for contracted tree trimming services. Following FYE 18, the City desired to hire an in-house tree trimming specialist. Due to the inability to staff this position with a qualified candidate, efforts have been redirected to engage a private contractor. The proposed agreement with LCRA/McCoy is an effort to catch up with needed trimming.

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION:

Approve the attached Resolution 2020-08.

LIST OF SUPPORTING DOCUMENTS:

Resolution 2020-08.

Department Head initials:

City Manager's Review:



RESOLUTION 2020-08

A RESOLUTION OF THE CITY OF LOCKHART, TEXAS, APPROVING UTILIZATION OF TREE TRIMMING SERVICES THROUGH THE LOWER COLORADO RIVER AUTHORITY AND McCOY TREE SURGERY, CO. AND AUTHORIZING THE CITY MANAGER TO EXECUTE A CUSTOMER SERVICES CONTRACT FOR THAT PURPOSE

WHEREAS, the City of Lockhart ("City") owns and operates an electric distribution utility, and requires a tree trimming program in order to reduce outages and improve public safety and effective service for its customers; and

WHEREAS, the Lower Colorado River Authority ("LCRA") maintains various technical service programs intended to assist cities with electric utilities to obtain services that help ensure the proper operation, maintenance, and expansion of electric service; and

WHEREAS, by agreement dated December 11, 1979, the City and LCRA agreed that the City may utilize and take advantage of the technical service programs offered by LCRA; and

WHEREAS, LCRA has contracted with McCoy Tree Surgery, Company ("McCoy") for the provision of tree trimming services; and

WHEREAS, it is the desire of the City Council of the City to utilize the services of McCoy, pursuant to its agreement with LCRA, for tree trimming services; and

WHEREAS, LCRA has provided the City with a Customer Services Contract, which is attached hereto as Exhibit "A," for that purpose.

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

1. The foregoing recitals are adopted and incorporated herein for all purposes.
2. The City Manager is authorized to execute the Customer Services Contract attached hereto as Exhibit "A."

PASSED AND ADOPTED on this the 3rd day of March, 2020.

CITY OF LOCKHART

Lew White, Mayor

ATTEST:

APPROVED AS TO FORM:

Connie Constancio, TRMC, City Secretary

Monte Akers, City Attorney

Exhibit "A"

CUSTOMER SERVICES CONTRACT

CUSTOMER: City of Lockhart
P.O. Box 239
Lockhart, Texas 78644
Attn: Bobby Leos

DATE SUBMITTED: February 26, 2020

SCOPE OF SERVICES:

JOB NUMBER:

The Customer Services Department of the Lower Colorado River Authority ("LCRA") shall provide the Customer access to LCRA's tree trimming services contract (the "Agreement") with McCoy Tree Surgery ("McCoy").

LCRA will add a fee to Customer's wholesale power bill to cover administration of this program.

The services under this Customer Services Contract are provided pursuant to the Technical Services Agreement between LCRA and the City, dated December 11, 1979, and under the authority of Chapter 791 of the Texas Government Code, Chapter 271 of the Texas Local Government Code, and in furtherance of LCRA's statutory and constitutional authority to provide electric utility services. The purpose of this Customer Services Contract is to increase the reliability of electric service within Customer's service territory, and to realize savings and efficiencies by cooperatively procuring services.

Customer will purchase services from McCoy under the same terms and conditions and pricing contained in the Agreement. All orders and payments for such purchases will be issued directly from Customer to McCoy, and McCoy will provide the services and associated invoices directly to Customer. LCRA is not a party to, and will in no way be responsible to either Customer or McCoy for, such orders, including without limitation any payments, performance, costs, expenses, losses or damages arising from such transactions between McCoy and Customer. Customer releases LCRA from any liability associated with Customer's transactions under the Agreement.

Customer represents that (i) all payments made pursuant to this Customer Services Contract will be paid from current revenues and (ii) it has the authority to enter into this Customer Services Contract.

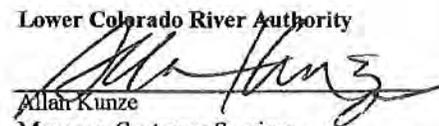
SCHEDULE:

To be determined, but approximately 17 weeks trimming. Schedule to be determined.
Based on a 3-man crew.

CONTRACT PRICE: Total Contract Amount: \$ 97,431.85
Approximately: \$92,831.85 per year (direct charge from McCoy)
Monthly Administration fee: Per month for 4 months. \$ 1,150.00
Per hour rates will depend on individual classification of each employee. (See attached rate schedule).
McCoy will bill Customer directly, on a weekly basis, and Customer will pay invoices directly to McCoy in accordance with the terms and conditions of the Agreement.

Customer and the Lower Colorado River Authority agree that the work described above shall be performed in accordance with the terms and conditions on the front and reverse (or attached) sides of this form.

City of Lockhart
By: _____
Title: _____
Date: _____

Lower Colorado River Authority
By: 
Allah Kunze
Manager, Customer Services
Date: 2-26-2020

OFFICE USE ONLY

Accounting: _____ 0

Approved By: _____
Completion Date: _____

Exhibit "A"

TERMS AND CONDITIONS

The Lower Colorado River Authority ("LCRA") will provide the Customer access to LCRA's tree trimming services contract (the "Agreement") with McCoy Tree Surgery ("McCoy").

LCRA will add a fee to Customer's wholesale power bill to cover administration of this program. The fee is noted on the front of the contract.

The services under this Customer Services Contract are provided pursuant to the Technical Services Agreement between LCRA and the City, dated December 11, 1979 and under the authority of Chapter 791 of the Texas Government Code, Chapter 271, Subchapter F of the Texas Local Government Code, and in furtherance of LCRA's statutory and constitutional authority to provide electric utility services. The purpose of this Customer Services Contract is to increase the reliability of electric service within Customer's service territory, and to realize savings and efficiencies by cooperatively procuring services.

Customer will purchase services from McCoy under the same terms and conditions and pricing contained in the Agreement. All orders and payments for such purchases will be issued directly from Customer to McCoy, and McCoy will provide the services and associated invoices directly to Customer. LCRA is not a party to, and will in no way be responsible to either Customer or McCoy for, such orders, including without limitation any payments, performance, costs, expenses, losses or damages arising from such transactions between McCoy and Customer. Customer releases LCRA from any liability associated with Customer's transactions under the Agreement.

Customer represents that (i) all payments made pursuant to this Customer Services Contract will be paid from current revenues and (ii) it has the authority to enter into this Customer Services Contract.



Exhibit "A"

McCoy Rate Schedule
contract #4226

2/7/2020

| Personnel Level | Rates | 1 | Rate |
|-------------------------------|---------|------|-------|
| Supervisor/General Foreperson | \$47.83 | 1 \$ | 47.83 |
| Foreperson | \$37.30 | 1 \$ | 37.30 |
| Trimmer | \$31.60 | 1 \$ | 31.60 |
| Trimmer/Ground Man | 25.06 | 1 \$ | 25.06 |

Equipment

| | | | |
|----------------------------|-------|---------|--------|
| Chain Saws (each) | 0.9 | 0.9 \$ | 0.81 |
| Bucket Truck with Chip bed | 15 | 15 \$ | 225.00 |
| Chipper | 5.71 | 5.71 \$ | 32.60 |
| GF PickUp | 10.75 | 1 \$ | 10.75 |

Crew Rate (using Max Rates)

| | | | |
|-------------------------------|---------|---------|-------|
| Supervisor/General Foreperson | \$47.83 | 0.25 \$ | 11.96 |
| GF PickUp | \$10.75 | 0.25 \$ | 2.69 |
| Foreperson | \$37.30 | 1 \$ | 37.30 |
| Trimmer | \$31.60 | 2 \$ | 63.20 |
| Chain Saws (each) | \$ 0.90 | 3 \$ | 2.70 |
| Bucket Truck with Chip bed | \$15.00 | 1 \$ | 15.00 |
| Chipper | \$ 5.71 | 1 \$ | 5.71 |

| | | | |
|------------------------|------|------|-----------|
| Total Hourly Crew Rate | | \$ | 138.56 |
| Total Weekly Crew Rate | | \$ | 5,542.20 |
| Total weeks | 16.8 | \$ | 92,831.85 |
| Total Trimmers | | 3.25 | |

Includes per diem costs for Lodging and meals

| | | | |
|-------------------------|----|-----------|------------------------------------|
| Total (using max rates) | \$ | 92,831.85 | Note: This is the estimated direct |
| Average/week | \$ | 5,542.20 | charge from McCoy |

Actual Charges according to the rate schedule will be billed.

LCRA will bill an user fee to cover the cost of scheduling and administering the program
This fee will be added to the city's power billing the following month after work is completed

The charge is: \$ 4,600.00 \$4,641.59

The charge will be spread out over 4.0 Months \$ 1,150.00 per month

| | | | |
|------------------------------------|----|-----------|---------------|
| Total (LCRA and McCoy) | \$ | 97,431.85 | 3 PERSON CREW |
| Total (LCRA and McCoy) weekly avg. | \$ | 5,816.83 | |

City of Lockhart, Texas

Council Agenda Item Briefing Data

COUNCIL MEETING DATE: March 3, 2020

AGENDA ITEM CAPTION: Discussion and/or action to consider Budget Amendment #43 in the amount of \$207,061.73 for SCADA improvements at the Water Treatment Plant and water wells to be executed by GBRA.

ORIGINATING DEPARTMENT AND CONTACT: Public Works-Sean Kelley

ACTION REQUESTED:

ORDINANCE RESOLUTION CHANGE ORDER AGREEMENT
 APPROVAL OF BID AWARD OF CONTRACT CONSENSUS OTHER

BACKGROUND/SUMMARY/DISCUSSION: Budget Amendment #43 will increase revenues and expenditures in the Water Fund by \$207,061.73. The Water Fund budget will reflect a total of revenues of \$4,386,758.73 and total of expenditures of \$4,372,728.73. Revenues will increase from a transfer of funds from the 2015 Certificates of Obligation.

The SCADA (supervisory control and data acquisition) system for the water plant is the computer system used to monitor and control plant equipment, well operations, flow of water, and water tower levels. The current SCADA system at the water plant is over twenty years old and getting more difficult to repair due to the scarceness of parts. On June 5, 2018, Council committed to making necessary upgrades to the Lockhart Water Plant. This improvement was the number one recommended priority by staff. At that time, we were anticipating the cost to replace the SCADA system to be between \$250K and \$350K. GBRA has solicited bids in compliance with State Law. Six (6) bids were received ranging from \$207,061.73 to \$699,500. The lowest responsible bid was submitted by Alterman Electric of Austin, Texas in the amount of \$207,061.73. Alterman Electric has a commendable reputation of installing electrical components and SCADA systems.

PROJECT SCHEDULE (if applicable): June 2020

AMOUNT & SOURCE OF FUNDING:

Funds Required: \$207,061.73
Account Number: 520-5755-200
Funds Available: from 2015 Certificates of Obligation transfer to the Water Fund
Account Name: GBRA – Treatment Plant Operations & Maintenance

Finance Review initials



FISCAL NOTE (if applicable):

Previous Council Action:

June 5, 2018- Council approved water improvement plan and funding sources

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends budget amendment in the amount of \$207,061.73 from the 2015 Certificates of Obligation to cover cost of needed SCADA improvements at the Lockhart Water Plant.

LIST OF SUPPORTING DOCUMENTS: Bid Advertisement, Bid Tab, General Scope, Overall SCADA Diagram, History

Department Head initials:

SK

City Manager's review:



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**CITY OF LOCKHART
BUDGET AMENDMENT FORM**

Amendment No. 43

DEPARTMENT

WATER DISTRIBUTION

LOSING:

| ACCOUNT DESCRIPTION | ACCOUNT NO. | AMOUNT |
|--|--------------|------------|
| TRANSFER TO WATER FUND | 526-5199-822 | 207,061.73 |
| (SERIES 2015 CERTIFICATES OF OBLIGATION) | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | 207,061.73 |

GAINING:

| ACCOUNT DESCRIPTION | ACCOUNT NO. | AMOUNT |
|---|--------------|--------------|
| GBRA - TREATMENT PLANT OPERATIONS & MAINTENANCE | 520-5755-200 | 207,061.73 |
| TRANSFER FROM 2015 CO (REVENUE) | 520-4910 | (207,061.73) |
| | | |
| | | |
| | | |
| | | |
| | | 0.00 |

REASON FOR AMENDMENT

INCREASE EXPENDITURES TO COVER COSTS ASSOCIATED WITH SCADA IMPROVEMENTS
AT THE WATER TREATMENT PLANT AND WATER WELLS; NOT BUDGETED BY GBRA.

REQUESTED BY:

DEPARTMENT SUPERVISOR _____ DATE _____

APPROVED BY:

CITY MANAGER _____ DATE _____

POSTED

FINANCE _____ DATE _____

HEARST

MEDIA SOLUTIONS

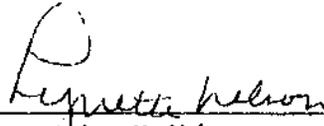
San Antonio Express News | ExpressNews.com | mySA.com

SAN ANTONIO EXPRESS NEWS AFFIDAVIT OF PUBLICATION

STATE OF TEXAS:
COUNTY OF BEXAR

Before me, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared: Lynette Nelson, who after being duly sworn, says that she is the BOOKKEEPER OF HEARST NEWSPAPERS, LLC - dba: SAN ANTONIO EXPRESS-NEWS, a daily newspaper published in Bexar County, Texas and that the publication, of which the annexed is a true copy, was published to wit:

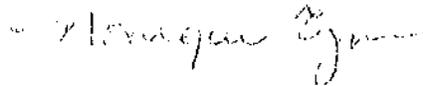
| Customer ID | Customer | Order ID | Publication | Pub Date |
|-------------|------------------------------|----------|------------------|----------|
| 20003376 | GUADALUPE BLANCO RIVER AUTH. | 34005386 | SAE Express-News | 10/28/19 |
| | | | SAE Express-News | 11/04/19 |

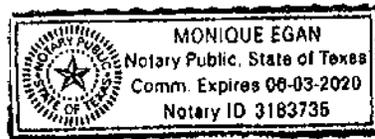


 Lynette Nelson
 Bookkeeper

Sworn and subscribed to before me, this 5 day of Nov, A.D. 2019

Notary public in and for the State of Texas





BID NOTICE

The Guadalupe-Blanco River Authority (GBRA) is requesting proposals from qualified, responsible companies for the replacement of the existing SCADA system in the Lockhart, Texas Area. All qualified firms including Small, Minority, and Women-Owned Businesses are encouraged to submit proposals in response to this invitation.

Proposals may be submitted until Tuesday, 11/26/2019 2:00 PM CST, and shortly thereafter will be opened publicly and read aloud. Proposal packets and information may be found at www.bidnetdirect.com/guadalupeblanco/brera

If you have any questions please contact Victor Castillo at vcastillo@gbra.org and reference RFP - LOCKHART SCADA REPLACEMENT (BID #2019-006)

The Guadalupe-Blanco River Authority reserves the right to accept or reject any and all responses at its option and to waive any formalities.

SECTION 13331
SYSTEM DESCRIPTION

PART 1 GENERAL**A. SCOPE**

The SCADA (Supervisory Control and Data Acquisition) system provides monitoring and control of the City of Lockhart, TX Water System. To perform these functions, the system comprises the following units:

| | |
|-------------------------------|------------------------------|
| Central Computer System (HMI) | |
| Master Telemetry Unit | (Allen-Bradley CompactLogix) |
| Front-End Processing Unit | (Allen-Bradley Micro820) |
| Front-End Processing Unit B | (Banner DX80DRM-H) |

In-plant Communication to RTUs

| | |
|--|--------------------------|
| RTU 3 – Filter Panel for Filters 1 & 2 | (Allen-Bradley Micro850) |
| RTU 4 – Filter Panel for Filters 3 & 4 | (Allen-Bradley Micro850) |

Communication to in-plant and remote RTUs via Radio

| | |
|-----------------------------------|--------------------------|
| RTU 1 – Aeration Basin | (Allen-Bradley Micro850) |
| RTU 1B – Aeration Basin | (Banner DX80DRM-H1C) |
| RTU 2 – High Service Pump Area | (Allen-Bradley Micro850) |
| RTU 2B – High Service Pump Area | (Banner DX80DRM-H1C) |
| RTU 5 – Well 3B | (Banner DX80DRM-H1C) |
| RTU 6 – Well 4A | (Banner DX80DRM-H1C) |
| RTU 7 – Well 5A | (Banner DX80DRM-H1C) |
| RTU 8 – Well 9 | (Banner DX80DRM-H1C) |
| RTU 9 – Well 10 | (Banner DX80DRM-H1C) |
| RTU 10 – Well 11 | (Banner DX80DRM-H1C) |
| RTU 11 – Raw Water Pump Station | (Allen-Bradley Micro850) |
| RTU 11B – Raw Water Pump Station | (Banner DX80DRM-H) |
| RTU 12 – Elevated Tank 1 | (Banner DX80DRM-H1C) |
| RTU 13 – Elevated Tank 2 | (Banner DX80DRM-H1C) |
| RTU 15 – McMahan Rd. Lift Station | (Banner DX80DRM-H1C) |
| RTU 17 – Airport Lift Station | (Banner DX80DRM-H1C) |
| RTU 18 – Elevated Tank 3 | (Banner DX80DRM-H1C) |
| RTU 19 – Well 12 | (Banner DX80DRM-H1C) |
| RTU – Larimore WWTP | (Banner DX80DRM-H1C) |
| RTU – FM20 WWTP | (Banner DX80DRM-H1C) |

All listed units shall have power supplies, instrumentation supplies, batteries, and Input/Output cards. Refer to the attached drawings for details.

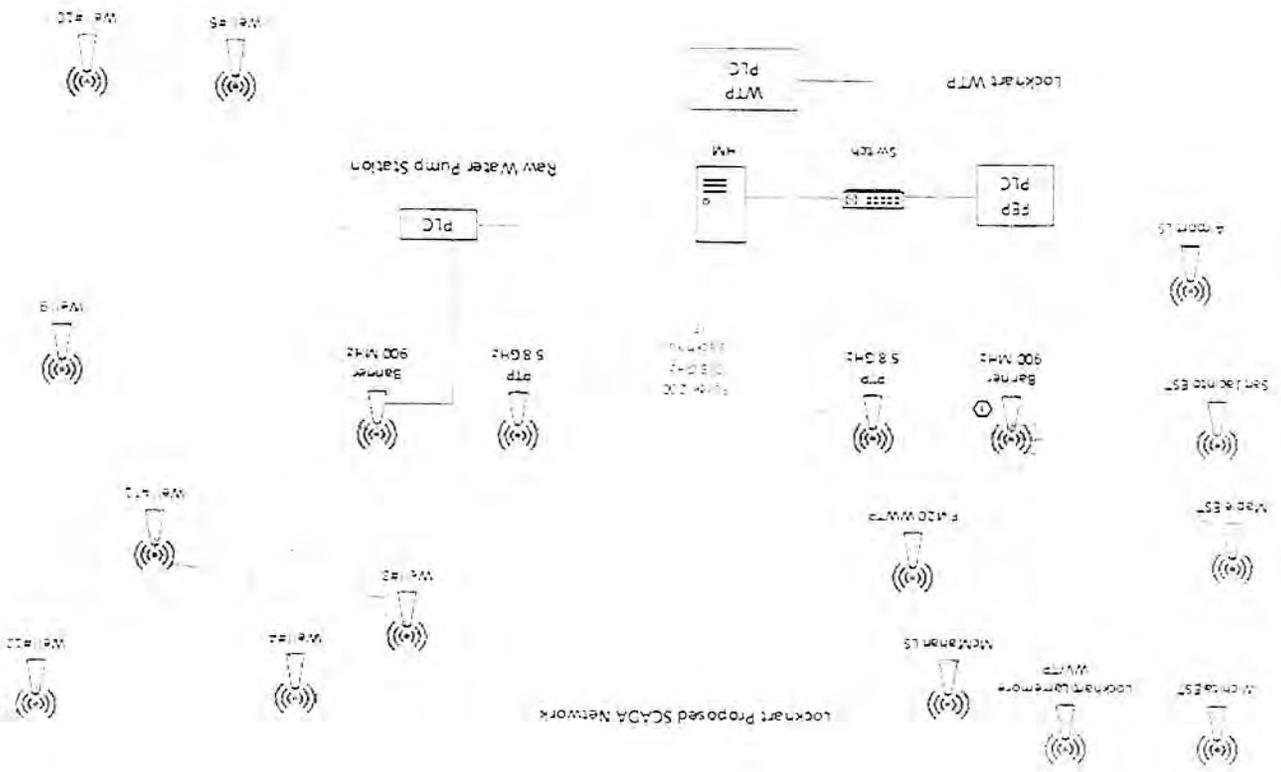
FEE SHEET

LOCKHART SCADA REPLACEMENT

| | |
|--------------------------|--------------|
| Scope of Work Fees Costs | \$201,315.00 |
| Bonding Fees | \$5,746.73 |
| Total Project Fees | \$207,061.73 |

① OVERALL SCADA NETWORK DIAGRAM

KEYNOTES:
 ① ANTENNA BORN AND HIGH SPACE PUMP STATION ETLU (NOT SHOWN) TO COMMUNICATE VIA RADIO TO TTP BRANCH 1/75 RADIO



E47
 SHEET NO.
 DATE
 BY
 APPR.



NOTICE:
 ALTERATION OF A SCALE DRAWING WITHOUT THE ENGINEER'S PERMISSION IS A VIOLATION OF THE ETHICS OF THE PROFESSION OF ENGINEERING PRACTICE.



GUADALUPE-BLANCO RIVER
 AUTHORITY-LOCKHART
 SCADA SYSTEM
 OVERALL SCADA NETWORK
 DIAGRAM

| | | |
|-------|------|----------|
| NO. 1 | DATE | REVISION |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

JRS&A
 ENGINEERING
 2101 West 10th Street, Suite 100
 Fort Worth, Texas 76102
 (817) 332-8888

| Bidder | Evaluation Score out of 100 | Amount | Bid Amount Score out of 10 |
|--------------------|--------------------------------|--------------|-------------------------------|
| Alterman | 94 | \$201,315.00 | 10 |
| Control Panels USA | 89 | \$310,000.00 | 6 |
| HPI Energy | 84 | \$249,650.69 | 8 |
| TMT Solutions | 65 | \$304,700.00 | 7 |
| Sigit Operating Co | 61 | \$320,500.00 | 6 |
| O'Day Instruments | 58 | \$699,500.00 | 3 |

w/ Bid Bond

207, Del. 73

Sen Kelly

| Total Score |
|-------------|
| 104 |
| 95 |
| 92 |
| 72 |
| 67 |
| 61 |



HISTORY

Work Session Item # _____

Reg. Mtg. Item # _____

**CITY OF LOCKHART
COUNCIL AGENDA ITEM**

| | | | | | | |
|--|--------------------------------------|--|---|---|-----------------------------------|---------------------------------------|
| CITY SECRETARY'S USE ONLY | | Reviewed by Finance | <input type="checkbox"/> Yes | <input type="checkbox"/> Not Applicable | | |
| <input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory | | Reviewed by Legal | <input type="checkbox"/> Yes | <input type="checkbox"/> Not Applicable | | |
| Council Meeting Dates: June 5, 2018 | | | | | | |
| Department: Public Works/Water-Wastewater | | | Initials | Date | | |
| Department Head: Sean P. Kelley | | Asst. City Manager | | | | |
| Dept. Signature: | | City Manager | | | | |
| Agenda Item Coordinator/Contact (include phone #): Sean P. Kelley | | | | | | |
| ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input checked="" type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> CONSENSUS <input checked="" type="checkbox"/> OTHER | | | | | | |
| CAPTION | | | | | | |
| Discussion and/or action to consider approval of improvements to the Lockhart Water Treatment Plant and associated funding requirements. | | | | | | |
| FINANCIAL SUMMARY | | | | | | |
| <input type="checkbox"/> N/A | <input type="checkbox"/> GRANT FUNDS | <input type="checkbox"/> OPERATING EXPENSE | <input type="checkbox"/> REVENUE | <input type="checkbox"/> CIP | <input type="checkbox"/> BUDGETED | <input type="checkbox"/> NON-BUDGETED |
| FISCAL YEAR: | | PRIOR YEAR (CIP ONLY) | CURRENT YEAR | FUTURE YEARS | TOTALS | |
| Budget | | | | | \$0.00 | |
| Budget Amendment Amount | | | | | \$0.00 | |
| Encumbered/Expended Amount | | | | | \$0.00 | |
| This Item | | | | | \$0.00 | |
| BALANCE | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | |
| FUND(S): | | | | | | |
| SUMMARY OF ITEM | | | | | | |
| The improvements to the water plant would include upgrading the outdated SCADA system, rehabilitating Well #9, replacing several electrical panels for various equipment, replacement of a pump and motor, painting of structures that are exposed to the elements and replacing a 14" water line that runs underneath the building. This water plant has remained in operations since 1953 and has gone through many improvements over the years. These necessary improvements will keep the plant producing water for years to come. | | | | | | |
| STAFF RECOMMENDATION | | | | | | |
| Interim Public Works Director/Water-Wastewater Superintendent Sean Kelley recommends approval of improvements to the Water Plant. | | | | | | |
| List of Supporting Documents: Cost Estimates of All Improvements | | | Other Departments, Boards, Commissions or Agencies: | | | |

Proposed Water Plant
Improvements 2018-2019

HISTORY

| Priority | Task | Job | Price |
|----------|--------------|--|------------------|
| 2 | Electrical | Replace Panel Pump 2 | \$11,775.00 |
| 2 | Electrical | Replace High Service Pump Panel | \$25,550.00 |
| 2 | Electrical | Replace Control Panel for the 4 Blower Motors | \$15,900.00 |
| 2 | Electrical | Replace High Service Distribution Panel | \$30,300.00 |
| 2 | Electrical | Add Control Panel for the Clearwell Pumps | \$21,400 |
| 4 | Elect./P&M | Replace Pump and Motor to TP3 | \$54,693 |
| 3 | Water Lines | Splitter Box Piping | \$8,831 |
| 3 | Water Lines | Replace the 14" Main that is Under the Building | \$34,158 |
| 5 | Paint/Maint. | Sand blast,Prime,Paint-I-Beam, Frame Ect.. in Plant | \$34,604 |
| 5 | Paint/Maint. | Wash/Paint-Fiberglass Tanks and Blowers | \$5,213 |
| 1 | SCADA | Replace Master Control at Water Plant | \$45,000 |
| 1 | SCADA | Replace 17 RTU's at Well Plant, Towers, Tanks and L.S. | \$77,000 |
| 1 | SCADA | Replace Entire Radio System, 1 Master and 17 RTU's | \$28,000 |
| 1 | SCADA | Replace Existing Wonderware HMI with Ignition and PC | \$15,000 |
| 1 | SCADA | Labor, Installation, Programming and Testing | \$85,000 |
| | Wells | Rehabilitate Well# 9- Agresive Acid Cleaning Treatment | \$80,000 |
| | | TOTAL | \$572,424 |

| | | Subtotals | |
|--|---|----------------------------------|--------------|
| | Electrical-Low Bid | | \$104,925.00 |
| | Electrical-High Bid | | \$127,979.46 |
| | Elect./Pumps & Motors | Get additional bid for this item | \$54,693 |
| | Water Lines/ Water Plant | | \$42,989 |
| | Painting- I-Beam, Fiberglass Tanks, Blowers,Ect... | | \$39,817 |
| | Estimate was \$250K, the scope of work/bids will be available sometime in August | SCADA-Low | \$250,000 |
| | High Estimate- May come in lower | SCADA-High | \$350,000 |
| | | Well #9 | \$80,000 |
| | Estimate to complete all work- SCADA could be an additional \$100K-Best to Budget | | \$572,424.00 |
| | | | \$672,424.00 |

City of Lockhart, Texas

Council Agenda Item Briefing Data

COUNCIL MEETING DATE: March 3, 2020

AGENDA ITEM CAPTION: Discussion and/or action regarding recommendation to award bid to WestStar Construction of Georgetown, Texas in the amount of \$213,245.50 for the construction of the Town Branch Trail Phase I consisting of approximately 2,100' of 10' wide concrete trails.

ORIGINATING DEPARTMENT AND CONTACT: Public Works-Sean Kelley

ACTION REQUESTED:

ORDINANCE RESOLUTION CHANGE ORDER AGREEMENT
 APPROVAL OF BID AWARD OF CONTRACT CONSENSUS OTHER

BACKGROUND/SUMMARY/DISCUSSION: St. David's Foundation awarded the City of Lockhart a grant for the Healthiest Places Projects in the amount of \$250,000 in 2019. The purpose of the grant was to create or improve areas where the public can access amenities that promote physical activities. The project chosen for the grant was the continuation of trails in our park system to improve connectivity and create a safe environment for pedestrian traffic. This project consists of construction of approximately 2,100' of 10' wide concrete trail including pedestrian ramps and bollards. Bids were advertised in compliance with State Law for the construction of the Town Branch Trail Phase I Project. Nine (9) bids were received ranging from \$213,245.50 to a high of \$396,760. The lowest bid was submitted by WestStar Construction in the amount of \$213,245.50 for the Total Base Bid Proposal. WestStar Construction has a commendable reputation of installing flatwork and concrete construction. The grant funds along with \$75,000 of unassigned funds Council allocated in 2019 will be used to create the Town Branch Trail.

PROJECT SCHEDULE (if applicable): March 23-June 21, 2020

AMOUNT & SOURCE OF FUNDING:

Funds Required: Grant Funds-\$163,959.50 and Unassigned Funds-\$49,286
Account Number: 215-5440-911 and 100-5633-433
Funds Available: Grant Funds-\$195,505 and Unassigned Funds
(Approved as onetime expenditure by Council)-\$75,000
Account Name: Misc. Special Revenue and Street, ROW, Drainage

Finance Review initials 

FISCAL NOTE (if applicable):

Previous Council Action:

September 4, 2018- Approved Grant Submission
January 15, 2019-Approved Grant Agreement

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approval of the bid submitted by WestStar Construction for the construction on the Town Branch Trail Phase I.

LIST OF SUPPORTING DOCUMENTS: Bid Advertisement, Bid Tab, Letter of Recommendation, Project Map

Department Head initials:

City Manager's Review:



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ADVERTISEMENT FOR BIDS

Sealed proposals addressed to the Mayor and City Council of the City of Lockhart will be received at the Lockhart City Hall, 308 West San Antonio, Lockhart, Texas 78644, until **10:00 A.M., February 20, 2020** for the **Town Branch Trail Phase I** at which time and place will be publicly opened and read aloud. Any bid received after closing time will be returned unopened.

The project consists of construction of approximately 2,091 LF of 10' wide concrete trail including pedestrian ramps and drainage infrastructure. All necessary SWPPP measures, excavation and backfill, subgrade preparation, compaction, testing, and other necessary appurtenances as detailed in the plans and specifications shall be incorporated into the construction.

Bidders shall submit with their bids a Cashier's Check in the amount of five percent (5%) of the maximum total bid, payable to the City of Lockhart, Texas without recourse, or a Proposal Bond in the same amount from an approved Surety Company as a guarantee that Bidder will enter into a contract and execute performance and payment bonds on the forms provided, within ten (10) days after the award of Contract. Bids without check or Proposal Bond will not be considered.

The successful Bidder must furnish Performance and Payments Bonds each in the amount of 100% of the contract price from an approved Surety Company holding a permit from the State of Texas to act as Surety and acceptable according to the latest list of companies holding certificates of authority from the Secretary of Treasury of the United States, or other Surety or Sureties acceptable to the Owner.

Plans and specifications may be examined without charge at Lockhart City Hall. Bid Documents and Construction Drawings for the project may be viewed and downloaded free of charge (with the option to purchase hard copies) at www.civcastusa.com. Bidders must register on this website in order to view and/or download specifications, plans and other related documents for this project. Printed copies of the specifications and drawings may also be viewed at the Engineer's office, TRC Engineers, Inc., 505 East Huntland Drive, Suite 250, Austin, Texas 78752, (512) 454-8716.

Please submit questions for this project at least five (5) business days prior to bid opening through www.civcastusa.com in the Q&A portal. All addenda issued for this project will be posted on www.civcastusa.com. It is the responsibility of the Contractor bidding to use proper scaling, paper size, etc., for bid quantities. Failure to do so may result in error in the Unit Bid Quantities and/or Bid Amounts.

The City Council of the City of Lockhart reserves the right to reject any or all bids and to waive formalities. No bid may be withdrawn within ninety (90) days after the date on which bids are received.

**CITY OF LOCKHART, TEXAS
LEW WHITE, MAYOR**



BID OPENING

OWNER: CITY OF LOCKHART
 PROJECT: Town Branch Trail – Phase I
 ENGINEER: TRC Engineers, Inc.

TRC PROJECT NO.: 352404
 BID DATE: February 20, 2020
 BID TIME: 10:00 A.M.

| | NAME OF BIDDER | BID BOND | PROPOSAL I | PROPOSAL II | TOTAL BASE BID (P.I + P.II) | ADDITIVE ALTERNATES | TOTAL PROJECT (P.I + P.II + P.A) | Ad |
|---|-------------------------|----------|--------------|--------------|-----------------------------|---------------------|--|----|
| ① | D+S Concrete | ✓ | \$117,870.00 | \$278,890.00 | \$396,760.00 | \$60,000.00 | \$456,760.00 | ✓ |
| ② | Greater Austin Div. Co. | ✓ | \$68,602.00 | \$219,690.00 | \$288,292.00 | \$64,740.00 | \$353,032.00 | ✓ |
| ③ | Weststar Con. | ✓ | \$49,286.00 | \$163,959.50 | \$213,245.50 | \$42,480.00 | \$255,725.50 | ✓ |
| ④ | Alpha Paving Ind. | ✓ | \$59,572.00 | \$183,205.00 | \$242,777.00 | \$66,600.00 | \$309,377.00 | ✓ |
| ⑤ | Austex Concrete Con. | Check | \$71,966.00 | \$236,029.00 | \$308 \$307,995 | | | ✓ |
| ⑥ | Lone Star Site Work | Check | \$66,443.90 | \$234,737.50 | \$301,181.40 | \$85,320.00 | \$386,501 \$386,501.40 Actual \$380,491.40 | ✓ |
| ⑦ | Qro Mex Con. | ✓ | \$80,954.00 | \$248,741.00 | \$329,695.00 | \$27,540.00 | \$357,235.00 | ✓ |
| ⑧ | AIC Con. | ✓ | \$70,812.78 | \$243,959.73 | \$314,772.51 | \$36,456.30 | \$351,228.81 | ✓ |
| ⑨ | M+C Fonseca | ✓ | \$96,020.00 | \$287,763.50 | \$383,783.50 | \$50,580.00 | \$434,363.50 | ✓ |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

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Town Branch Trail System

Phasing of Project

Legend

- 10' Concrete Trail-Outside Scope of Grant
- 10' Concrete Trail-Phase 1-Previous Grant Award
- 6' Proposed Concrete Trail-Phase 2



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505 East Huntland Drive
Suite 250
Austin, Texas 78752

T 512.454.8716
TRCcompanies.com
T.B.P.E. #F-8632

February 26, 2020

Mr. Steven Lewis, City Manager
City of Lockhart
P.O. Box 239
Lockhart, Texas 78644

**RE: Town Branch Trail – Phase I
Bid Award Consideration**

Dear Mr. Lewis:

The bid opening for the above referenced project was held on February 20, 2020. The total base bids range from a low of \$213,245.50 to a high of \$396,760.00 as shown on the attached bid tabulation. The project consists of concrete trail including pedestrian ramps and drainage infrastructure.

TRC has conducted reference checks and found that Westar Construction, Inc. has a satisfactory record of project completion.

It is recommended that Westar Construction, Inc. be awarded a contract for the base bid proposal amount of \$213,245.50 for the Town Branch Trail – Phase I. The contractor has provided a bid bond and will be required to furnish a Performance Bond and Payment Bond to the City.

If you have any questions regarding this information, please feel free to contact this office.

Sincerely,

A handwritten signature in black ink, appearing to read "JD", written over a faint, larger signature.

Jeff Dahm, P.E.
Project Engineer

Enclosures Bid Tab

City of Lockhart, Texas

Council Agenda Item Briefing Data

COUNCIL MEETING DATE: March 3, 2020

AGENDA ITEM CAPTION: Discussion and/or action regarding recommendation to approve City Line Road Booster Station Change Order No. 1 to TTE, LLC of Spicewood Springs, Texas in the amount of \$7,370 increasing the contract amount to \$1,032,370 for additional improvements to the Maple Street Elevated Tank discovered during renovation of the tank. Appointing the Mayor to sign all contractual documents.

ORIGINATING DEPARTMENT AND CONTACT: Public Works-Sean Kelley

ACTION REQUESTED:

ORDINANCE RESOLUTION CHANGE ORDER AGREEMENT
 APPROVAL OF BID AWARD OF CONTRACT CONSENSUS OTHER

BACKGROUND/SUMMARY/DISCUSSION: During the interior sandblasting process for the City Line Road Pump Station Project unknown corrosion to the vent port and interior ladder were identified, along with exterior damage to the tank vent and tank hatch. It is highly recommended to fix the pitting on the vent port, repair the vent housing, repair the tank hatch, replace the safety rail on the ladder and weld the ladder directly to its frame to correct these issues. Making these fixes now will preserve the longevity of the elevated storage tank located on City Line Road.

PROJECT SCHEDULE (if applicable): June 2020

AMOUNT & SOURCE OF FUNDING:

Funds Required: \$7,370

Account Number: 526-5750-911

Funds Available: \$6,561,000

Account Name: 2015 Certificates of Obligation-Water

Finance Review initials



FISCAL NOTE (if applicable):

Previous Council Action:

June 18, 2018- Council awarded bid to TTE for construction of the City Line Road Pump Station.

COMMITTEE/BOARD/COMMISSION ACTION: None.

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approval of Change Order #1 to TTE, LLC in the amount of \$7,370.

LIST OF SUPPORTING DOCUMENTS: City Engineer's Letter of Recommendation, Change Order #1, and, Sandblast Inspection Report

Department Head initials:

SK

City Manager's Review:





505 East Huntland Drive
Suite 250
Austin, Texas 78752

512.454.8716
TRCcompanies.com

February 27, 2020

Mr. Sean Kelley, Director of Public Works
City of Lockhart
P.O. Box 239
Lockhart, Texas 78644

**RE: City Line Road Pump Station
Change Order No. 1
TRC Project No. 295893**

Dear Mr. Kelley:

I have attached to this letter documentation for Change Order No. 1. The changes are for improvements to the existing elevated storage tank and include welding repairs to the interior tank ladder and roof vent, replacement of the interior ladder safety rail, and repairs to the roof tank hatch.

The change order has been approved by this office. The changes to the contract amount and times are as shown in the attached change order form

Please review and sign the attached form to execute the change order and return a copy for our records. If you have any questions regarding this information, please feel free to contact this office.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Dahm".

Jeff Dahm, P.E.
Project Manager

JD/sn

Enclosures

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**CONTRACT CHANGE ORDER NO. 1
CITY LINE ROAD PUMP STATION**

OWNER: CITY OF LOCKHART
CONTRACTOR: TTE, LLC
ORIGINAL CONTRACT AMOUNT: \$1,025,000.00
CHANGE ORDERS TO DATE: \$0
CURRENT CONTRACT AMOUNT: \$1,025,000.00

| Item No. | Item Description | Quantity | Units | Unit Price (+) Increase (-) Decrease | Amount (+) Increase (-) Decrease |
|------------------------------|------------------|----------|-------|--|--|
| CO1.1 | Welding repairs | 1 | LS | \$3,770.00 | \$3,770.00 |
| CO1.2 | Safety Rail | 1 | LS | \$3,000.00 | \$3,000.00 |
| CO1.3 | Hatch | 1 | LS | \$600.00 | \$600.00 |
| NET CONTRACT INCREASE | | | | | \$7,370.00 |

THE NET INCREASE IN THE CONTRACT AMOUNTS TO \$7,370.00, WHICH MAKES THE NEW ADJUSTED CONTRACT TOTAL \$1,032,370.00. NO CHANGES ARE MADE TO THE CONTRACT TIMES. THIS WILL BECOME A SUPPLEMENT TO THE CONTRACT AND ALL PROVISIONS WILL APPLY HERETO.

 Lew White, Mayor
 City of Lockhart

 Date

[Handwritten Signature]

 2/27/2020

 Jeff Dahm, P.E., Project Manager
 TRC Engineers, Inc.

 Date

[Handwritten Signature]

 2/27/2020

 Brent Taylor, President
 TTE, LLC

 Date

**Tank Paint Inspection Report
City Line Road Pump Station**

| | | | | | |
|--------------------------|---------------------------|-------------------------------------|---|----------------|-----------------|
| Date | 02/17/2020 | Time | 2:10 pm – 3:20 pm | Weather | 75 deg F, Clear |
| Safety Briefing | Yes | Topics | Check harness, safe climbing procedures | | |
| Personnel On-Site | TRC | Luis Tonche, EIT; Aaron Rojas, EIT, | | | |
| City of Lockhart | N/A | | | | |
| TTE, LLC | N/A | | | | |
| Sub-Contractors | Gulf States- Santos, Napo | | | | |
| Visitors | N/A | | | | |

| | |
|----------------------------|---|
| Description of Work | Performed inspection of the existing tank interior after sand blasting of the floor and a section of the ceiling was completed. |
|----------------------------|---|

| | |
|-----------------------------|-----|
| Quantities Installed | N/A |
|-----------------------------|-----|

| | |
|---------------------------------------|-----|
| Material Received & Stored | N/A |
|---------------------------------------|-----|

| | |
|---------------------------------|-----|
| Difficulties Encountered | N/A |
|---------------------------------|-----|

| | |
|-------------------|--|
| Site Notes | <ul style="list-style-type: none"> • Bolts on interior ladder are very rusty. If sand blasted, diameter of existing bolts would shrink. Contractor recommended to replace so that ladder would not be loose if current bolts are still used. TRC concurs with Contractor's recommendation. • Heavy corrosion was noticed on tank vent frame. Contractor recommended welding in corroded area to cover holes. TRC concurs with Contractor's recommendation. • Contractor recommends sand blasting top exterior of tank instead of pressure washing do to severe corrosion. TRC recommends clean all failed and rusting areas as per SSPC-SP11 Power Tool Cleaning to Bare Metal, per Section TP of specifications at no extra cost to the Owner. |
|-------------------|--|

| | |
|-----------------------------|-----|
| Verbal Communication | N/A |
|-----------------------------|-----|

| | |
|--------------|---|
| Approved by: | Stephen Mobley, P.E. |
| Signature: |  |
| Date: | 02/17/2020 |

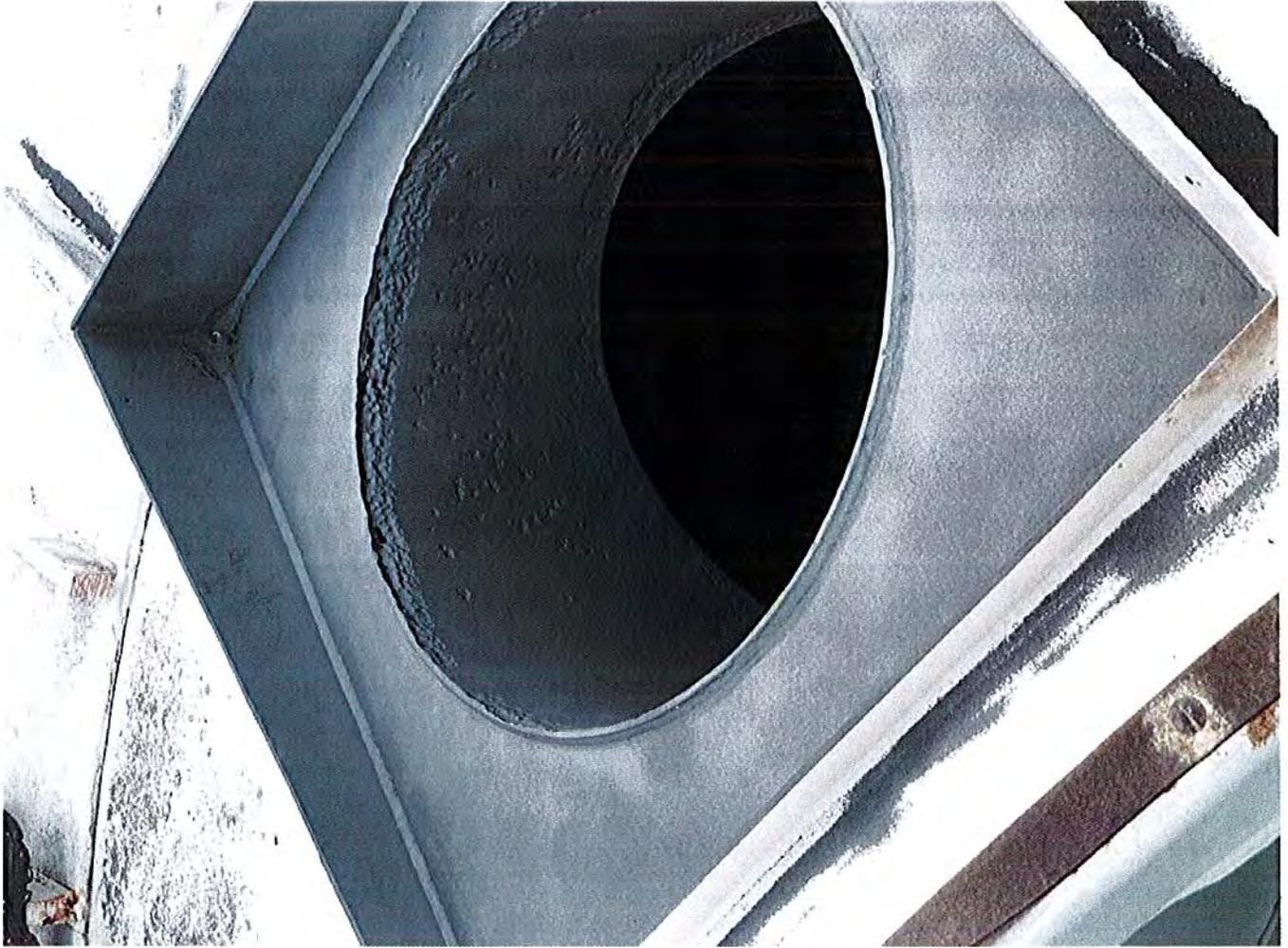
| | |
|-----------------|--|
| Pictures | F:\Work In Progress\Lockhart\295893 City Line Road Pump Station\900 Construction\905 Progress Reports\2020.2.17 Luis, Aaron\Photos |
|-----------------|--|

**Tank Paint Inspection Report
City Line Road Pump Station**



Tank Blasted Ceiling

**Tank Paint Inspection Report
City Line Road Pump Station**



Tank Vent Frame Corrosion

Tank Paint Inspection Report
City Line Road Pump Station



Bolt Corrosion on Interior Ladder

City of Lockhart, Texas

Council Agenda Item Briefing Data

COUNCIL MEETING DATE: March 3, 2020

AGENDA ITEM CAPTION: Discussion and/or action to consider authorizing the submission of a Assistance to Firefighters Grant (AFG) application to the Federal Emergency Management Agency (FEMA) and authorizing the Mayor to act as the City's executive officer and authorized representative in all matters pertaining to the City's participation in the Assistance to Firefighters Grant Program.

ORIGINATING DEPARTMENT AND CONTACT: Lockhart Fire; Randy Jenkins – Fire Chief

ACTION REQUESTED:

ORDINANCE RESOLUTION CHANGE ORDER AGREEMENT
 APPROVAL OF BID AWARD OF CONTRACT CONSENSUS OTHER

BACKGROUND/SUMMARY/DISCUSSION: The primary goal of the Assistance to Firefighters Grant (AFG) is to enhance the safety of the public and firefighters with respect to fire-related hazards by providing direct financial assistance to eligible fire departments. The proposed response vehicle is a 2020 Pierce custom pumper. The new pumper will replace Engine 1 a 1984 Pierce pumper. Best practice is to deploy a pumper front-line for 10 years and reserve for 10 years. NFPA 1901 (Standard for Fire Apparatus) recommends removing a pumper from service after 25 years. Estimated project cost includes \$566,337.22 for response vehicle and \$30,000 for loose equipment.

If the grant is awarded, a budget amendment in the amount of \$56,968.44 would thereafter be brought to the Council to fund the grant match requirement.

PROJECT SCHEDULE (if applicable): FEMA - AFG grant application is due March 13, 2020. Award period is spring /summer of 2020. Grant must be completed within 12 months of award.

AMOUNT & SOURCE OF FUNDING:

Finance Review initials _____

Funds Required: N/A
Funds Required: N/A
Account Number: N/A
Funds Available: N/A
Account Name: N/A

FISCAL NOTE (if applicable):

Previous Council Action: N/A

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approving submittal of an Assistance to Firefighters Grant (AFG) Program application to FEMA.

LIST OF SUPPORTING DOCUMENTS:

Proposal for 2020 Lockhart Pierce Pumper

Department Head initials:

RJ

City Manager's Review:

[Signature]

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Siddons Martin Emergency Group, LLC
 3500 Shelby Lane
 Denton, Texas 76207
 GDN P115891
 TXDOT MVD No. A115890
 EIN 27-4333590



February 13, 2020

Chief Randy Jenkins
 CITY OF LOCKHART
 201 W MARKET ST
 LOCKHART, TX 78644

Proposal for 2020 Lockhart Saber Pumper

Siddons-Martin Emergency Group, LLC is pleased to provide the following proposal to CITY OF LOCKHART. The unit will comply with all specifications attached. Total price includes delivery to CITY OF LOCKHART and training on operation and use of the apparatus.

| Description | Amount |
|---|----------------------------|
| 1) Pierce-Custom Saber FR Pumper, 2nd Gen Unit price - \$564,337.22 | |
| Price guaranteed for 60 days. Delivery within 7-8 months of order date. A warranty term of 12 months is included. | |
| Vehicle Price | \$564,337.22 |
| Sub Total | \$564,337.22 |
| Contract Amount | <u>\$2,000.00</u> |
| Final Sales Price | <u>\$566,337.22</u> |

Additional. {{{DRAFT}}}

Taxes. Taxes are not included in this proposal. In the event that the purchasing organization is not exempt from sales tax or any other applicable taxes and/or the proposed apparatus does not qualify for exempt status, it is the duty of the purchasing organization to pay any and all taxes due. Balance of sale price is due upon acceptance of the apparatus at the factory.

Late Fee. A late fee of .033% of the sale price will be charged per day for overdue payments beginning ten (10) days after the payment is due for the first 30 days. The late fee increases to .044% per day after the first 30 days until the payment is received. In the event a prepayment is received after the due date, the discount will be reduced by the same percentages above, increasing the overall cost of the apparatus.

Cancellation. In the event this proposal is accepted, and a purchase order is issued then cancelled or terminated by Customer before completion, Siddons-Martin Emergency Group may charge a cancellation fee. The following charge schedule based on costs incurred and may be applied:

- (A) 10% of the Purchase Price after order is accepted and entered by Manufacturer;
- (B) 20% of the Purchase Price after completion of the approval drawings;
- (C) 30% of the Purchase Price upon any material requisition by Manufacturer.

The cancellation fee will increase accordingly as costs are incurred as the order progresses through engineering and into manufacturing. Siddons-Martin Emergency Group endeavors to mitigate any such costs through the sale of such product to another purchaser; however, the customer shall remain liable for the difference between the purchase price and, if applicable, the sale price obtained by Siddons-Martin Emergency Group upon sale of the product to another purchaser, plus any costs incurred by Siddons-Martin Emergency Group to conduct such sale.

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Acceptance. In an effort to ensure the above stated terms and conditions are understood and adhered to, Siddons-Martin Emergency Group, LLC requires an authorized individual from the purchasing organization to sign and date this proposal and include it with any purchase order. Upon signing this proposal, the terms and conditions stated herein will be considered binding and accepted by the Customer. The terms and acceptance of this proposal will be governed by the laws of the State of Texas. No additional terms or conditions will be binding upon Siddons-Martin Emergency Group, LLC unless agreed to in writing and signed by a duly authorized officer of Siddons-Martin Emergency Group, LLC

Sincerely,

Marc Panayi
Siddons-Martin Emergency Group, LLC

I, **DRAFT ONLY**, the authorized representative of **CITY OF LOCKHART**, agree to all of the terms of this proposal and the specifications attached hereto and this proposal will be binding upon **CITY OF LOCKHART**.

DRAFT ONLY

Signature & Date

City of Lockhart, Texas

Council Agenda Item Briefing Data

COUNCIL MEETING DATE: March 3, 2020

AGENDA ITEM CAPTION:

Discussion and/or action to consider Resolution 2020-07 adopting Strategic Priorities for 2020-2021.

ORIGINATING DEPARTMENT AND CONTACT: Steve Lewis, City Manager

ACTION REQUESTED:

ORDINANCE RESOLUTION CHANGE ORDER AGREEMENT
 APPROVAL OF BID AWARD OF CONTRACT CONSENSUS OTHER

BACKGROUND/SUMMARY/DISCUSSION:

Alysia Cook of Opportunity Strategies conducted a department head goals retreat on January 17, 2020 followed by a Council goals retreat on January 18, 2020. The retreats were a success that produced the 2020-2021 Strategic Priorities as attached.

PROJECT SCHEDULE (if applicable): None.

AMOUNT & SOURCE OF FUNDING: (to be completed by Finance)

Funds Required: N/A
Account Number: N/A
Funds Available: N/A
Account Name: N/A

FISCAL NOTE (if applicable):

Previous Council Action: Council participated in a Goals retreat with Alysia Cook of Opportunity Strategies on January 18, 2020 where the list of priorities were determined.

COMMITTEE/BOARD/COMMISSION ACTION: None.

STAFF RECOMMENDATION/REQUESTED MOTION:

Staff recommends approval of Resolution 2020-07 adopting the 2020-2021 Strategic Priorities.

LIST OF SUPPORTING DOCUMENTS:

- Resolution 2020-07 with adopted 2020-2021 Strategic Priorities.

Department Head initials:

City Manager's Review:

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RESOLUTION 2020-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, ADOPTING STRATEGIC PRIORITIES FOR 2020-2021.

WHEREAS, the City Council of the City of Lockhart believes that the development of specific goals and objectives is vital to planning for the future of the community; and

WHEREAS, the City Council of the City of Lockhart, through a strategic planning session which included input and collaboration from professional consultants, the City Manager and the City department heads, has developed a series of goals for the City of Lockhart for the upcoming fiscal year; and

WHEREAS, the establishment of these goals provides the framework for budget development and staff direction and gives a sense of purpose to the actions of the community and its organizations.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, that the attached 2020-2021 Strategic Priorities for the City of Lockhart is hereby adopted.

BE IT FURTHER RESOLVED that the goals set forth in the Strategic Priorities shall be provided to other governmental entities and agencies within the community as appropriate for the purpose of coordination of activities and sharing of our vision.

PASSED, APPROVED AND ADOPTED this 3rd day of March, 2020.

CITY OF LOCKHART, TEXAS

Lew White, Mayor

ATTEST:

APPROVED AS TO FORM:

Connie Constancio, City Secretary

Monte Akers, City Attorney



City of Lockhart

2020-2021 Strategic Priorities

Prepared by:



City of Lockhart

Summary

On January 17 & 18, 2020 the City of Lockhart hosted two half-day planning sessions to develop goals and strategies for the next 2 years. Some of these goal areas were internal, whereas others were external. The following is the process used to reach the conclusions for the plan.

The process began with a preliminary phone meeting between the facilitator and Steve Lewis, City Manager, to go over key issues facing the City, understand the programs and projects underway through the community, and to prepare the agenda and format for the planning retreat.

The first portion of the strategic planning process began on Friday, January 17, 2020 with the City Manager and the City of Lockhart Management Team. The facilitator began by asking the Management Team participants what their expectations for discussion for the day were. She then conducted a group brainstorm exercise called Start/Stop/Continue that lists the things that need to begin happening, stop happening, and are mission-critical and must continue regardless of circumstances.

The facilitator then guided the Management Team through 2020-2021 goal and strategy development to recommend to the City Council the following day.

On Saturday, January 18, 2020, the City Council and City Manager convened to review, revise, and establish priorities related to the recommendations generated the day before by the Management Team. Prior to the review, the facilitator asked the City Council to list their expectations for discussion for the day.

The following are the results.

Management Team Expectations for the Day's Discussion Topics

- Holistic view of the City
- Understanding other departments better
- Council to continue to be open to new ideas
- As the city grows, facilities and staff must keep up
- Next comprehensive master plan
- Establish an IT 3-5-year plan to keep current
- Replace phone systems and phone equipment
- Discuss records storage
- What is there for teens and tweens to do?
- Need administrative assistance
- Public Information Officer – keep information on point, factual, and streamlining voice: sharing voice vs. many voices
- Law enforcement: recruitment and administrative assistance
- Stick to implementing plan
- Fire equipment replacement plan and funding
- Achieve “needs” so we can work on “wants” for the future
- Customer service needs additional staff – same staffing level as 1000 accounts ago
- Technology training needed in Library (provide for public)
- Additional Library storage needed
- Electric services study needed and replace needed items
- Salary and compensation study to begin soon – want council to support and fund the results of the study

City Council Expectations for the Day's Discussion Topics

- Improve work environment for staff
- Accomplish unfinished business from last strategic plan
- 142 & I-130 development
- Low-hanging fruit and larger longer-term goals
- Eliminate the red tape
- Look ahead to see what's next
- Balance citizen needs and staff needs
- Keep on track
- Prepare for quality growth
- Neighborhood beautification
- City Hall facilities
- Discuss hospital/after-hours clinic
- Hear staff recommendations

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Start/Stop/Continue

The facilitator guided the Management Team through an exercise that challenged them to brainstorm things that the City really needed to begin doing, what they should stop doing that could be a waste of resources, and what must they continue doing, regardless of circumstances. Below are their responses. Note that there are no right or wrong items; these are merely individuals' opinions about the things that should and shouldn't change in Lockhart. Just because one person has a certain opinion on a topic, that does not imply anyone else shared that opinion.

Start

- Long-term street paving plan (paving/resurfacing)
- Electrical system study
- Formal grantsmanship program
- Records storage facility
- Digitize public works and utility records/maps
- Establish fee schedule for fire plan reviews and inspections
- Review development related fees
- Improve customer service at Police Department and Utilities Department by increasing administrative staff
- Start a Main Street Program
- New City facilities (abolish sewer smell)
- Consider a 4-day/10-hour work week option
- Annual review of facility maintenance, i.e. HVAC systems, etc.
- Make Parks Department into Parks and Recreation Department (start recreation program)
- Review and fund vehicle replacement fund
- Expand/improve airport facilities
- Figuring out how to generate more general fund revenues to pay for items on this "start" list

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Stop

- Printing reports – use digital reports when we can
- The waste in Archives
- Excessive paperwork related to personnel (consider paper reduction techniques instead)
- Making new employees wait 6 months to take time off/sick days/etc (other cities do 3 months)
- Excessive engine idling of city vehicles
- Worrying about other departments and focus on making your own team better
- Picking up commercial recycling for free
- Hanging highway banners for free
- Circulating city council department head reports monthly (do quarterly instead)
- Workshop portion of council meetings unless needed (they run too long)
- Referencing the past as “we have always done it that way” (we can be more innovative)

Continue

- Effective communication with customers/website
- Planning for the future
- Maintaining hiring standards
- Improving community amenities finding external funding sources
- Succession planning and cross-training
- Staff meetings
- Learning new ways of doing things
- Employee longevity and retention efforts
- Good customer service
- Acknowledging staff accomplishments
- Great teamwork
- Parks improvements/parks master plan
- Efforts on wayfinding program
- Replacing aged power lines
- Planning and engineering for downtown paving and drainage improvements
- Providing utilities to areas of anticipated future growth and development
- Planning for future industrial parks
- Accreditation for Police and Fire Departments

Recommendations from Staff:

The following items were recommendations from staff to city council. Items that have a checkbox (R) had agreement of city council the following day. The one item with no checkbox was rolled to consideration for 2022.

- Create and adopt 5-7-year paving/resurfacing plan (roads and sidewalks)
- Lockhart Police Department to conduct Active Shooter training for all City staff and elected officials and review official safety procedures for council meetings
- Explore asking the county for grant writer assistance
- Establish fee schedule for fire plan reviews and inspections
- Considering increasing existing fees for applications and development fees
- Develop an Airport Business Plan
- Research options for additional records storage
- Transition staff department reports from monthly to quarterly
- Pursue agenda management process and software
- Streamline paper processes where possible/evaluate software options
 - o Utility billing
 - o Applications
 - o Council, boards, commissions:
 - Packets
 - Minutes

Goal Development from City Council:

The following items were items identified by council to move forward on for 2020-2021:

- Establish a Hospital with an Emergency Room in town
- Sell church property
- Create resources via Lockhart EDC for proactive outreach to quality builders for additional housing
- Create a Youth Advisory Board to explore options around youth programs/activities
- Adopt a TIF (tax increment financing) policy prior to project being submitted
- Implement downtown drainage improvements
- Develop fiber down 142, 183, and the Central Business District
- Traffic safety improvements: turn lanes and traffic lights
- Consider submitting a multi-year street bond program to voters
- Begin TXDOT safety projects
- Promote a Neighborhood Watch Program
- Promote beautification projects through teamwork
- Clean up trash/enforcement
- Enhance lower income districts/beautification efforts

Progress Reporting

The following icons are used to document progress of the following goals and strategies:

| |
|--|
|  = Completed  = On Target or In Progress  = Not on Target |
|--|

Goal 1: Economic Development / Planning

| Strategies | 2019-2020 Progress | 2020-2021 Progress |
|---|--|--------------------|
| 1. Continue to partner with LISD and local youth organizations to encourage careers in local emergency services (Fire and Police) |  Partner with Boy Scouts to develop Police Explorer Program. Fire personnel attend and participate in LISD career days. | |
| 2. Better collaborate with downtown stakeholders and both Chambers of Commerce |  | |
| 3. Complete updating our development ordinances |  Revised Engineering Standards – presented to Council January 2020. Subdivision Regulations to follow. | |

| | | |
|--|--|--|
| <p>4. Consider development tools to facilitate attraction / recruitment to SH 130 corridor</p> |  IEDC business park development study completed. Future consideration by LEDC. | |
| <p>5. Bring utilities, assist assembling parcels, rezoning tracts along SH 130/142 and become shovel-ready</p> |  Mostly done. Site development will facilitate the remainder. | |
| <p>6. Pursue prospects and developers and create a BRE (business retention and expansion) program</p> |  Hiring a second Economic Development practitioner. | |
| <p>7. Start investing in more property for growth</p> |  IEDC study. | |
| <p>8. Explore next industrial park</p> |  IEDC study. | |
| <p>9. HOT (Hotel Occupancy Tax) Funds – board to develop and adopt new process to collect payments from B&Bs</p> |  HOT Advisory Board created. Board training and funding processes under review. | |
| <p>10. Adopt and implement the Economic Development Strategic Plan (currently underway by Garner Economics) by Q4 2020</p> |  LEDC Board hired Garner Economics January 2020 | |
| <p>11. Robust LEDC website</p> |  Underway with EDsuite contract. | |
| <p>12. Create resources via Lockhart EDC for proactive outreach to quality builders for additional housing</p> | <p><i>N/A Brand new/created in 2020</i></p> | |

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| Strategies | 2019-2020 Progress | 2020-2021 Progress |
|---|--------------------------------------|--------------------|
| 13. Adopt a TIF (tax increment financing) policy prior to project being submitted | <i>N/A Brand new/created in 2020</i> | |
| 14. Develop fiber down 142, 183, and the Central Business District | <i>N/A Brand new/created in 2020</i> | |

Goal #1 KPIs / Metrics:

- Did we partner with LISD & other youth organizations to encourage emergency services careers?
- Did we collaborate with downtown stakeholders and both Chambers of Commerce?
- Did we completely update our development ordinances?
- Did we brainstorm development tools for SH-130 development?
- Did we bring utilities and assemble parcels along SH-130?
- Did we develop shovel-ready development sites?
- Did we market those sites to prospective investors?
- Did we develop plans for our next industrial park?
- Did we revamp the way HOT funds are structured?
- Did we develop and implement an Economic Development Strategic Plan?
- Did the Lockhart EDC revamp their website to better attract investment?
- # of quality home builders the Lockhart EDC proactively reached out to in 2020-2021? _____
- Did we adopt a new TIF policy?
- # of miles of new fiber optics laid in Lockhart in 2020-2021? _____

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Goal 2: Quality of Life / Quality of Facilities

| Strategies | 2019-2020 Progress | 2020-2021 Progress |
|---|--|--------------------|
| 1. Invest money to improve the appearance of our town (streets, parks, entry signs) |  Doubled street resurfacing funds in FY 20; Parks Master Plan projects. | |
| 2. Conduct and implement a Space Study of City Buildings and facilities including City Hall |  Budget established for FY 20 Space Study. RFP under development. | |
| 3. Improve the image of City facilities as needed and conduct cosmetic improvements in the meantime |  See No. 2 above. | |
| 4. Update, renovate, and construct City facilities as needed, based on the space study. Realize that remodel of Central Fire Station is likely next. |  Electrical panel upgrade at the Water Treatment Plant; Budget established for FY 20 Space Study; Fire Station No. 2 completed. | |
| 5. Implement the Parks Master Plan, improving the quality of life for the community. What is in Phase 2: splash pad, restroom renovations, dog park, picnic shelter upgrades, and tree planting initiatives |  Multiple Phase I projects underway. | |
| 6. Conduct a citywide quality of life citizen survey and ask council to fund. |  Allocate funds in FY 20-21; assign project to PIO. | |
| 7. Establish a Hospital with an Emergency Room in town | <i>N/A Brand new/created in 2020</i> | |
| 8. Sell church property | <i>N/A Brand new/created in 2020</i> | |
| 9. Create a Youth Advisory Board to explore options around youth programs/activities | <i>N/A Brand new/created in 2020</i> | |
| 10. Implement downtown drainage improvements | <i>N/A Brand new/created in 2020</i> | |

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| Strategies | 2019-2020 Progress | 2020-2021 Progress |
|--|-------------------------------|--------------------|
| 11. Consider submitting a multi-year street bond program to voters | N/A Brand new/created in 2020 | |
| 12. Promote beautification projects through teamwork | N/A Brand new/created in 2020 | |
| 13. Clean up trash/enforcement citywide | N/A Brand new/created in 2020 | |
| 14. Enhance lower income districts with beautification efforts | N/A Brand new/created in 2020 | |

Goal #2 KPIs / Metrics:

- \$ amount invested in streets in 2019? \$ _____
- \$ amount invested in parks in 2019? \$ _____
- \$ amount invested in gateway entry signs in 2019? \$ _____
- \$ amount invested in streets in 2020? \$ _____
- \$ amount invested in parks in 2020? \$ _____
- \$ amount invested in gateway entry signs in 2020? \$ _____

Which facilities did we improve the image of? _____

- Did we implement elements of the Parks Master Plan?
- Did we secure quotes on a Space Study of City buildings including City Hall?
- # of City-owned buildings we renovated or retrofitted? _____
- Did we conduct a citywide quality of life citizen survey?
- Did we address levels of service based on the citizen responses we received?
- Did we address levels of satisfaction based on the citizen responses we received?
- Did we address areas for improvement based on the citizen responses we received?
- Did we court hospital providers?
- Did we sell the church property?
- Did we create a Youth Advisory Board?
- Did we implement downtown drainage improvements?
- Did we fully investigate issuing a street bond?
- Did we fully enforce trash clean up around town?
- Did we specifically target lower income neighborhoods for new beautification projects?

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Goal 3: Staffing / Personnel

| Strategies | 2019-2020 Progress | 2020-2021 Progress |
|--|---|--------------------|
| 1. Consider hiring additional personnel (engineer, IT, etc.) |  In FY 20, staffing levels were increased by 2 full-time and 1 part-time positions. | |
| 2. Conduct a staffing study that includes evaluating efficiencies and compensation |  Classification and Compensation Study underway. | |
| 3. Right size staffing levels city-wide based on study results |  No funding was allocated for such a study; discuss need/timing of study during FY 20-21 budget process. | |
| 4. Consider starting salaries that compete with surrounding communities |  Classification and Compensation Study underway. | |
| 5. Be consistent with staff development / policies / purchasing procedures |  Comprehensive Purchasing Policy under development (anticipated to be complete 1 st quarter of 2020). Revision of City Personnel Policy underway. | |
| 6. Implement a staff development program (be consistent) |  House Bill 3834 mandated cybersecurity training for all employees with computer access and elected officials – cybersecurity training program underway. | |

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| Strategies | 2019-2020 Progress | 2020-2021 Progress |
|--|--|--------------------|
| 7. Start developing / preparing current staff to take on leadership roles within the organization in the future. Work on succession planning: add Fire, add Electric, add Streets, and add Animal Control. |  Emphasis on leadership training for police personnel, cross training of job duties underway in Finance Department. | |
| 8. Recruit and attract more bi-lingual staff |  No funding was allocated to recruit bi-lingual staff; explore possible options during FY 20-21 budget process and the classification and compensation study. | |
| 9. Customer service / experience excellence training for the Utility and Planning Development teams |  Training budgeted item in FY 20 for Utility Customer Services staff. | |

Goal #3 KPIs / Metrics:

- # of new positions in 2019? _____
- # of new positions in 2020 and 2021? _____
- Did we perform a staffing efficiency/compensation study?
- Did we right-size our salaries based on that study by the end of 2020?
- Did we develop new consistent policies and procedures regarding professional development of staff?
- Did we develop new consistent policies and procedures regarding purchasing/procurement?
- Did we create and implement a new staff development program to ensure everyone has training opportunities?
- Did we begin grooming current staff for future leadership roles?
- How many staff do we have on a leadership track by the end of 2020?
- # of new employees added in 2019 through 2021 who are bilingual? _____
- Did we deliver Customer Experience Excellence training to every City employee?

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Goal 4: Procedures / IT Management and Services

| Strategies | 2019-2020 Progress | 2020-2021 Progress |
|--|---|--------------------|
| 1. Improve technology / create specific strategies to have better IT support based on Assessment results |  New outside IT management team hired; Strategic plan for current and emerging issues (cyber) near completion. | |
| 2. Upgrade all technology-related issues as recommended – desktops, servers, software, equipment, and peripherals. \$100K will pay for equipment, \$20K is licensing agreement costs. |  City-wide replacement of desktops with current operating systems complete; new servers in current fiscal year. | |
| 3. Create a 5-year rolling IT equipment replacement plan |  See above notes 1 and 2. | |
| 4. Provide superior service by keeping technology up to date and being able to communicate with the public (keep an open line of communication through website.) Purchase next modules: INCODE |  New PIO hired. Increased social media updates. INCODE permits and inspections software module implemented to track permit and inspections progress; online access to permit applications and tracking underway. | |
| 5. Upgrade the server system |  Desktop operating systems upgrade 100% complete. Server upgrades in progress. | |
| 6. Streamline technology hardware, software processes within the City, based on Assessment recommendations |  Ongoing and FY 20-21. | |

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| Strategies | 2019-2020 Progress | 2020-2021 Progress |
|---|--|--------------------|
| 7. Upgrade all equipment and software and be trained on specific software to be used to maximum potential and determine which staff will require which trainings. |  Current year 2020 departmental goal. | |
| 8. Explore implementing downtown Wi-Fi |  To be addressed in 2020 or 2021. Explore options with the Downtown Business Association and both Chambers of Commerce. | |

Goal #4 KPIs / Metrics:

- Did we secure top quality technology support across all departments by the end of 2020?
- Did we upgrade our desktop computers?
- % of employees who received upgraded computers by the end of 2020 (from 2018 numbers)? _____
- Did we upgrade our servers?
- Did we upgrade our computer software, subscriptions, and licenses?
- Did we upgrade our peripherals?
- Did we upgrade our other technology equipment?
- Did we establish an IT policy for updates and replacements that will keep us up-to-date from now through the future?
- Did we upgrade our City server system?
- Did we streamline our City technology processes?
- Did we secure training for staff to use all new equipment properly and efficiently?
- Did we investigate implementing WiFi throughout Downtown Lockhart?

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Goal 5: Public Safety

| Strategies | 2019-2020 Progress | 2020-2021 Progress |
|--|--|--------------------|
| 1. Provide quality public safety to all citizens of Lockhart | | |
| a. Develop a specific Retention Strategy first |  <p>City-wide classification and compensation study underway. Fire: Council approved 7% salary adjustment in FY 19-20. Police: all officers to attend leadership training, host ceremonial recognition events, retention strategy under development.</p> | |
| b. Continue to implement hiring strategies we developed such as Fire and Police. |  <p>Fire: Use of recruitment video; developing recruitment flyer for use with LISD and the public; career day with Lockhart High School students; Fire Chief to serve on LISD Career and Technical Education Advisory Committee. Police: In 2019, Lockhart Police Officers visited with police cadets attending the AACOG Academy and made presentations to 2 classes of prospective candidates. In 1st quarter of 2020, LPD will make presentations to the CAPCOG Academy currently in progress.</p> | |

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| Strategies | 2019-2020 Progress | 2020-2021 Progress |
|--|---|--------------------|
| c. Long-term public safety facility planning for Station #1. |  Completed Fire Station No. 2. Analysis and cost estimate to remodel and upgrade Fire Station No. 1 underway. | |
| d. Develop an equipment replacement schedule. Seek funding for existing equipment (fire apparatus and patrol cars) replacements. |  Developed an ambulance replacement schedule with Caldwell County and Seton. Upgrades to two-way radios (portables and mobiles) underway. | |
| e. Continue to ensure use of best practices / standards (research best practices, then implement) |  Fire: Fire Department is preparing an emergency management tabletop exercise for City staff. Police: Upgraded Police Officer body-worn cameras to 3 rd generation models. | |
| f. Evaluate Accreditation opportunities |  Fire: Reviewing the Texas Fire Chief's Association (TFCA) accreditation process before formal enrollment. Police: Currently reviewing the 166 Texas Law Enforcement Best Practices. Will submit for recognition in the 3 rd quarter of 2020. | |

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| Strategies | 2019-2020 Progress | 2020-2021 Progress |
|---|-------------------------------|--------------------|
| g. Traffic safety improvements: turn lanes and traffic lights | N/A Brand new/created in 2020 | |
| h. Begin TXDOT safety projects | N/A Brand new/created in 2020 | |
| i. Promote a Neighborhood Watch Program | N/A Brand new/created in 2020 | |

Goal #5 KPIs / Metrics:

- # of new law enforcement officers hired in 2019? _____
- # of new law enforcement officers hired in 2020? _____
- # of new law enforcement officers hired in 2021? _____
- % law enforcement officers retained? _____%
- # of new firefighters hired in 2019? _____
- # of new firefighters hired in 2020? _____
- # of new firefighters hired in 2021? _____
- % firefighters retained? _____%
- Did we develop a long-term public safety facilities plan?
- Did we develop a public safety equipment replacement schedule?
- Did we implement that new replacement schedule?
- Did we research and record best practices across the country regarding public safety policy?
- Did we make any modifications to our public safety policies based on that research?
- Did we explore and evaluate Accreditation opportunities?
- Did we implement new turn lane and traffic light improvements in 2020-2021?
- Did we begin the TXDOT safety projects?
- Did we proactively promote a Neighborhood Watch Program for Lockhart?

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Conclusion

At the end of the planning retreat, the facilitator reminded all the participants that these goals would only be achieved if they held true to their commitments today to implement these specific strategies and tactics.

She reminded them that they are one team working toward one vision. The city council and management team agreed to use this document regularly throughout 2020 and 2021 to track progress and measure accomplishments.

LIST OF BOARD/COMMISSION VACANCIES

Updated: February 5, 2020

| Board Name | Reappointments/Vacancies | Council member |
|---------------------|---------------------------------|-----------------------|
| Board of Adjustment | One Alternate position | Any Councilmember |

APPLICATIONS RECEIVED TO BE ON A BOARD/COMMISSION

| APPLICANT | BOARD REQUESTED | DATE RECEIVED | RESIDENCE DISTRICT |
|------------------|------------------------|----------------------|---------------------------|
| | | | |

NO CURRENT APPLICATIONS

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The following are NOTES regarding appointments to several boards that have certain criteria that should be met, such as qualifications or number to serve on the board. Boards that are not listed below have a seven member board and are open to any citizen without qualifications.

| | |
|---|---|
| <p>NOTES: AIRPORT ADVISORY BOARD</p> | <p>Sec. 4-26. Membership; appointments. The Lockhart Airport Advisory Board shall be composed of seven members to be appointed in accordance with section 2-210. At least five members must currently be or have been flight rated, and two members may be appointed as at-large members. Members shall serve three-year terms, such terms coinciding with the council position making the appointment.</p> <p>Sec. 4-28. Eligibility for board membership. No person having a financial interest in any commercial carrier by air, or in any concession, right or privilege to conduct any business or render any service for compensation upon the premises of the Lockhart Municipal Airport shall be eligible for membership on the Lockhart Airport Advisory Board.</p> <p>Sec. 4-32. Limitations of authority. The Lockhart Municipal Airport Advisory Board shall not have authority to incur or create any debt in connection with airport operations; nor shall the board be empowered to enter into any contract, leases, or other legal obligations binding upon the City of Lockhart; nor shall the board have authority to hire airport personnel or direct airport personnel in the execution of their duties.</p> |
| <p>NOTES: CONSTRUCTION BOARD APPOINTMENTS</p> | <p><i>Section B101.4, Board Decision,</i> is amended to read as follows: The construction board of adjustments and appeals shall have the power, as further defined in Appendix B, to hear appeals of decisions and interpretations of the building official and consider variances of the technical codes; and to conduct hearings on determinations of the building official regarding unsafe or dangerous buildings, structures and/or service systems, and to issue orders in accordance with the procedures beginning with section 12-442 of this Code [of Ordinances].</p> <p><i>Section B101.2, Membership of Board,</i> is amended to read as follows: Each District Council member and the Mayor shall appoint one member to the Construction Board of Appeals making it a five (5) member board and each Councilmember at Large shall appoint an alternate. The term of office of the board members shall be three (3) years, such terms coinciding with the council position making the appointment. The two (2) alternates shall also serve the term coinciding with the council position making the appointments. Vacancies shall be filled for an unexpired term in the manner in which the original appointments are required to be made. Board members shall consist of members who are qualified by experience and/or training to pass on matters pertaining to building construction and are not employees of the City of Lockhart.</p> |
| <p>NOTES: ELECTRIC BOARD APPOINTMENTS</p> | <p>Sec. 12-132. Members. (a) Appointments to the examining and supervisory board of electricians and appeals shall conform to section 2-210 except that the board shall consist of five persons with one being appointed by each district council member and one by the mayor. Each member shall serve three-year terms with such terms to coincide with the council position making the appointment. (b) Each board member shall reside within the county and such board shall include one member who shall be a building contractor; one layman; two members shall be master electricians who are currently licensed by the city; and one member shall be either a building contractor or master electrician licensed by the city. There shall be two ex-officio members, one who shall be the city electrical inspector, and one shall be the fire marshal.</p> <p>Sec. 12-133. Officers and quorum. The members of the examining and supervising board of electricians and appeals shall select a chairman and secretary. A quorum shall consist of three members.</p> |
| <p>NOTES: HISTORIC PRESERVATION COMMISSION</p> | <p>Sec. 28-3. Historical preservation commission. (b) The commission shall consist of seven members, appointed by the city council in accordance with section 2-210, who shall whenever possible meet one or more of the following qualities: (1) A registered architect, planner or representative of a design profession, (2) A registered professional engineer in the State of Texas, (3) A member of a nonprofit historical organization of Caldwell County, (4) A local licensed real estate broker or member of the financial community, (5) An owner of an historic landmark residential building, (6) An owner or tenant of a business property that is an historic landmark or in an historic district, (7) A member of the Caldwell County Historical Commission.</p> |
| <p>NOTES: PARKS ADVISORY BOARD</p> | <p>Sec. 40-133. Members. (a) The board shall consist of seven members appointed in accordance with section 2-210 to serve three years terms, such terms to coincide with the council position making the appointment and two alternates shall also be appointed by the mayor and mayor pro-tem, one each. The two alternates shall also serve the term coinciding with the council position making the appointments. Vacancies shall be filled for an unexpired term in the manner in which the original appointments are required to be made. (Ordinance 06-08, adopted February 7, 2006)</p> |

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| | |
|---|--|
| <p>NOTES: Lockhart Economic Dev Corp</p> | <p>LEDC Bylaws – Article II. Board of Directors Section 1. Powers, Number and Term of Office</p> <ul style="list-style-type: none"> a. The property and affairs of the Corporation shall be managed and controlled by a Board of Directors (The “Board”) under the guidance and direction of the Lockhart City Council and, subject to the restrictions imposed by law, by the Articles of Incorporation, and by these Bylaws the Board shall exercise all of the powers of the Corporation. b. The Board shall consist of seven directors, each of whom shall be appointed by the City Council of the City. Each director shall occupy a place (individually the “Place” and collectively, the “Places”) as designated herein. Places 1-4 are designated for Councilmember Directors from Councilmember Districts 1 through 4 respectively. In the event that a particular Councilmember from said District is unable or unwilling to serve in the capacity as a Director, that Councilmember shall have the right to nominate a non-councilmember for approval and appointment. Places 5-7 are designated for Citizen Member Directors. c. The directors constituting the first Board shall be those directors named in the Articles of Incorporation. Successor directors shall have the qualifications, shall be of the classes of directors, and shall be appointed to the terms set forth in the Articles of Incorporation. d. Any director may be removed from office by the City Council at will. |
| <p>NOTES: ORDINANCE RE: ALL BOARD, COMMISSION APPOINTMENTS</p> | <p>Sec. 2-209. - Rules for appointment. The city council hereby sets the following rules:</p> <ul style="list-style-type: none"> (1) Except as may be established by existing city ordinances/resolutions the process for selecting members shall be open to all Lockhart citizens, who must apply for appointment, to include those applying for reappointment. Reappointment shall not be deemed automatic. (2) Council shall seek to appoint the most qualified or best persons available, while also respecting the need for diverse community opinions. (3) No member of any appointed body shall serve on more than one quasi-judicial or advisory board or commission. (4) No appointed body shall deviate from its charge, deliberate items not on its agendas, or speak for the council or City of Lockhart without council authorization. (5) Subject to other qualifications as specifically required for membership on the below boards and commissions, the city council shall have the right (but not the duty) to appoint up to two members who are not Lockhart citizens but who are residents of Caldwell County to the Lockhart Airport Advisory Board, the Eugene Clark Library Board, and the construction board of appeals. <p>Section 2-210. Method of selection; number of members; terms.</p> <ul style="list-style-type: none"> (a) The mayor and city councilmembers shall nominate individuals to serve on boards and commissions. Each nomination shall then be confirmed by a simple majority of the entire city council. (b) Except as provided herein, there shall be seven members appointed to each board or commission corresponding with the seven members or places of the city council. Each city councilmember, except as provided herein, shall nominate a qualified person to serve in a place on an appointed body corresponding to their place on the council. At-large councilmembers shall be designated as places 5 and 6, and the mayor’s position as place 7, for the purpose of this section. Nominations shall be made to fill vacant positions and/or positions whose terms have expired within 90 days of the event, such as a resignation or an election. Should any city councilmember fail to name an appointee to one of his/her corresponding places on any body within the above described 90 days, another councilmember shall then have the privilege to nominate a person to fill that same position, as described in subsection (a). However, once that position becomes vacant again for any reason, the appointment shall revert to the place corresponding with the original city council seat/place number for nominations. (c) Beginning with the election in May, 1998, the council shall nominate and confirm four members to serve in places 1, 2, 5, 6 on each board and commission in accordance with subsections (a) and (b) above, and with the standards set in Ordinance Number 97-09, Governance Policies. With the election of May, 1999, the remaining three places shall be filled following the same procedure as above. (d) Terms of service on appointed bodies shall be the same three-year terms as the councilmember who nominates a person to serve. However, a person may be appointed to complete the unexpired term of a vacant position, due to a resignation, for example. (e) When a person has completed a term, or terms, of service and will be vacating a place, that person may continue to serve until a replacement is nominated and confirmed by the city council. (f) At the discretion of the majority of the city council, one Caldwell County resident who is also an owner of real property within any local historic district may be appointed as a full member to the historical preservation commission. (g) Exceptions to the above regulations shall be all volunteer/special purpose/ad hoc committees appointed from time to time by the city council and the zoning board of adjustments, whose members shall serve two-year terms in accordance with V.T.C.A., Local Government Code § 211.008. All other provisions of this section, and ordinance number 97-09 which do not conflict with the chapters establishing these bodies shall be applicable. <p>Sec. 2-212. Removal and resignation of members.</p> <ul style="list-style-type: none"> (a) All board, commission and committee members serve at the pleasure of the city council and may be removed from office with or without cause at the discretion of the city council. (b) Board, commission and committee members may resign from office at any time by filing a written resignation, dated and signed by the member, with the City Secretary. Such resignation shall take effect upon receipt by the City Secretary without further action by the city council. If the city council appoints a new member to replace the resigned member, the new member shall be appointed to serve out the remainder of the resigned member’s term. |

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| | |
|---|---|
| <p>NOTES: PARKS MASTER PLAN STEERING COMMITTEE (Est. 09/05/2017)</p> | <p>Committee to have 8-10 members as follows:</p> <ul style="list-style-type: none"> • Councilmembers • City staff • Two Parks Advisory Board members • Business owners • Civic Organization members <p>Committee will assist Burditt Consultants to perform tasks outlined in the Parks Master Plan.</p> |
| <p>NOTES: AD-HOC COMMITTEE – ST. PAUL UNITED CHURCH OF CHRIST PROPERTY (Est. 09/05/2017)</p> | <p>Committee will consist of at least one appointment from Mayor and each Councilmember.</p> <p>The Committee will make recommendations to the Council about the use of the property at 728 S. Main.</p> |
| <p>NOTES: WAYFINDING SIGNAGE AND COMMUNITY BRANDING AD-HOC (Est. 01/02/2018)</p> | <p>Committee will assist City Planner/Development Services with wayfinding signage and community branding tasks.</p> <p>Committee will consist of up to five members appointed by the Council.</p> <p>NOTE: First Branding and Wayfinding Committee disbanded/dissolved on December 18, 2018.</p> <p>UPDATE: Second Branding and Wayfinding Committee appointed on March 5, 2019.</p> |

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NOTES:
HOTEL
OCCUPANCY
TAX ADVISORY
BOARD
(Est. 12-3-
2019)

Sec. 54-127 MEMBERSHIP AND MEETING FREQUENCY

- a. The HOT Advisory Board should consist of five (5) members.
- b. Members shall consist of the following, the appointment of whom shall be confirmed by the City Council
 - i. A lodging facility representative;
 - ii. The City Manager or his/her designee;
 - iii. A former member of the City Council; and
 - iv. Two citizens nominated by Mayor.
- c. The HOT Advisory Board shall meet at least quarterly for allocation of funds and post-event reviews.
- d. Three Board members shall constitute a quorum.
- e. Each Board member shall serve a term of two years.
- f. Vacancies on the Board shall be filled by appointment by the City Council for the remainder of the existing term.

Sec. 54-128 PURPOSE AND RESPONSIBILITY

- a. The legislative functions of the city council shall in no way be delegated to the HOT Advisory Board. The HOT Advisory Board shall be considered a special purpose advisory committee.
- b. The purposes and responsibility of the HOT Advisory Board shall be:
 - i. To receive, review, and evaluate applications from organizations requesting HOT funds;
 - ii. To recommend allocation of HOT funds (as authorized by the Texas Tax Code, Chapter 351) to the City Council;
 - iii. To review the actual expenditures of HOT Funds;
 - iv. To offer suggestions for improvements or changes to the use or administration of HOT funds; and
 - v. To submit an annual report to the City Council that identifies approved expenditures by the City for the preceding year, reviews such approved expenditures in the context of compliance with state laws regarding the use of HOT funds, and evaluates the effectiveness of the approved HOT expenditures and the program.

Sec. 54-129 HOT FUND GRANT PROCESS AND POST-EVENT REPORTING

- a. Applications for funding will be considered at each meeting. Completed applications must be received ten (10) days prior to a meeting of the Board at which it will be reviewed.
- b. Applicants will be notified of the award of funds following approval by the City Council of the award, at which time one-half of approved funding will be awarded.
- c. The Board shall produce guidelines for approved applicants regarding a post-event report from each such applicant that demonstrates qualified expenditures
- d. A post-event report from each approved applicant is required in order for the applicant to receive final payment.

Sec. 54-130 HOT FUND GRANT PROCESS GUIDELINES.

In considering the grant of HOT Funds, the Board and City Council shall:

- i. Ensure that each funding requests for HOT revenues is for one or more statutorily defined purpose;
- ii. Establish and implement a policy of properly utilizing 100% of available HOT funds each year;
- iii. Consider whether funding should be based on a formula for pre-determined activities consistent with authorized uses (e.g. advertising, arts, signage, historical restoration/preservation);
- iv. Consider funding approaches that will allow for equitable funding
- v. opportunities for new as well as established events and activities; and
- vi. Consider eligibility criteria beyond the Tax Code requirements (e.g. limiting grants to 25% of the total event budget or disallowing/limiting use of HOT funds for events' programs that occur on a regular (e.g. monthly) basis.

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COUNCILMEMBER BOARD/COMMISSION APPOINTMENTS

| Councilmember | Board/Commission | Appointee | Date Appointed |
|--|--|--|---|
| Mayor – Lew White | Airport Board Board of Adjustment Construction Board Ec Dev. Revolving Loan Ec Dev. Corp. ½ Cent Sales Tax Electric Board Historical Preservation Library Board Parks and Recreation Planning & Zoning ETJ Rep-Impact Fee Adv Comm | John Hinnekamp Mike Annas Raymond DeLeon Barbara Gilmer Alan Fielder, Vice-Chair Joe Colley, Chair John Lairsen Stephanie Riggins Albert Villalpando, Chair Paul Rodriguez Larry Metzler | 12/19/17 12/19/17 06/04/19 12/19/17 12/19/17 12/19/17 12/19/17 12/19/17 12/19/17 12/19/17 12/19/17 |
| District 1 – Juan Mendoza | Airport Board Board of Adjustment Construction Board Eco Dev. Revolving Loan Eco Dev. Corp. ½ Cent Sales Tax Electric Board Historical Preservation Library Board Parks and Recreation Planning & Zoning | Larry Burrier Lori Rangel Mike Votee Ryan Lozano Dyrall Thomas Frank Gomillion Victor Corpus Shirley Williams Linda Thompson-Bennett Chris St. Leger | 03/07/17 03/07/17 12/17/19 03/07/17 12/17/19 12/17/19 03/07/17 12/17/19 03/07/17 12/17/19 CM McGregor on behalf of Councilman Mendoza |
| District 2– David Bryant (Members appointed prior to Nov 14, 2019 were made by John Castillo) | Airport Board Board of Adjustment Construction Board EcoDev. Revolving Loan Eco Dev. Corp. ½ Cent Sales Tax Electric Board Historical Preservation Library Board Parks and Recreation Planning & Zoning | VACANT- Coats moved outside County Juan Juarez Oscar Torres Rudy Ruiz Umesh Patel James Briceno Ron Faulstich Quartermetra Hughes James Torres Rob Ortiz, Alternate Manuel Oliva | 03/07/17 05/15/18 03/07/17 08/09/18 03/07/17 03/07/17 06/04/19 03/07/17 03/07/17 03/07/17 |

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COUNCILMEMBER BOARD/COMMISSION APPOINTMENTS

| | | | |
|--|---------------------------------|-------------------------|----------|
| District 3 – Kara McGregor | Airport Board | Ray Chandler | 02/06/18 |
| | Board of Adjustment | Anne Clark, Vice-Chair | 12/19/17 |
| | | Kirk Smith (Alternate) | 12/05/17 |
| | Construction Board | Jerry West, Vice-Chair | 01/02/18 |
| | Eco Dev. Revolving Loan | Lew White, Chair | 12/19/17 |
| | Eco Dev. Corp. ½ Cent Sales Tax | Sally Daniel | 06/18/19 |
| | Electric Board | John Voigt | 09/03/19 |
| | Historical Preservation | Ronda Reagan | 12/19/17 |
| | Library Board | Jean Clark Fox, Chair | 12/19/17 |
| | Parks and Recreation | Warren Burnett | 12/05/17 |
| Planning & Zoning | Philip McBride, Chair | 12/19/17 | |
| District 4 - Jeffry Michelson | Airport Board | Mark Brown, Vice-Chair | 03/07/17 |
| | Board of Adjustment | Wayne Reeder | 12/05/17 |
| | Construction Board | Rick Winnett | 12/05/17 |
| | Eco Dev. Revolving Loan | Frank Coggins | 12/05/17 |
| | Eco Dev. Corp. ½ Cent Sales Tax | Morris Alexander | 12/05/17 |
| | Electric Board | Ian Stowe | 03/06/18 |
| | Historical Preservation | Kathy McCormick | 12/05/17 |
| | Library Board | Donaly Brice | 12/05/17 |
| | Parks and Recreation | Russell Wheeler | 12/05/17 |
| | Planning & Zoning | Rick Arnic | 01/15/19 |
| Mayor Pro-Tem (At-Large) – Angie Gonzales-Sanchez | Airport Board | Andrew Reyes | 01/07/20 |
| | Board of Adjustment | Laura Cline, Chair | 01/07/20 |
| | Construction Board | Paul Martinez | 01/07/20 |
| | Eco Dev. Revolving Loan | Irene Yanez | 01/07/20 |
| | Eco Dev. Corp. ½ Cent Sales Tax | Alfredo Munoz | 01/07/20 |
| | Historical Preservation | Juan Alvarez, Jr. | 03/07/17 |
| | Library Board | Jodi King | 01/07/20 |
| | Parks and Recreation | Chris Schexnayder | 03/07/17 |
| | Planning & Zoning | Philip Ruiz, Vice-Chair | 01/07/20 |

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COUNCILMEMBER BOARD/COMMISSION APPOINTMENTS

| | | | |
|------------------------------|---|--|---|
| At-Large - Brad Westmoreland | Airport Board Board of Adjustment Construction Board (Alternate) Eco Dev. Revolving Loan Eco Dev. Corp. ½ Cent Sales Tax Historical Preservation Library Board Parks and Recreation Planning & Zoning | Jayson "Tex" Cordova Severo Castillo Gary Shafer Edward Strayer Frank Estrada Richard Thomson Rebecca Lockhart Dennis Placke Brad Lingvai | 02/04/20 02/04/20 02/04/20 02/04/20 02/04/20 02/04/20 02/04/20 02/04/20 02/04/20 |
| | Charter Review Commission (Five member commission) Term – 24 months after appointment | Ray Sanders Bill Hernandez Roland Velvin Elizabeth Raxter Alan Fielder | 03/01/16 – Michelson 03/01/16 – Michelson 03/01/16 – Michelson 03/01/16 – Hilburn 03/15/16 – Hilburn |
| | Sign Review Committee (no longer meeting) | Gabe Medina Neto Madrigal Terry Black Kenneth Sneed Johnny Barron, Jr. Tim Clark | 03/17/15 - Mayor Pro-Tem Sanchez 04/21/15 – Councilmember Mendoza 12/19/17 – Councilmember McGregor 03/17/15 – Mayor White 03/17/15 – Councilmember Castillo 03/17/15 – Councilmember Michelson |
| | Parks Master Plan Steering Committee (8-10 members) | Albert Villalapando Dennis Placke Nita McBride Rebecca Pulliam Bernie Rangel Derrick David Bryant Beverly Anderson Carl Ohlendorf Beverly Hill | 09/05/17 – Parks Bd appointee 09/05/17 – Parks Bd appointee 12/05/17 – McGregor 09/19/17 – Michelson 09/19/17 – Castillo 09/19/17 – Sanchez 09/19/17 – Mendoza 09/19/17 – Westmoreland 09/19/17 – Mayor White |

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COUNCILMEMBER BOARD/COMMISSION APPOINTMENTS

| | | | |
|--|--|--|---|
| | <p>Church Property Ad-hoc Committee (7 members)</p> | <p>Amelia Smith Jackie Westmoreland Todd Blomerth Andy Govea Terry Black Jane Brown Raymond DeLeon Dyral Thomas</p> | <p>09/05/17 – Westmoreland 09/05/17 – Westmoreland 09/05/17 – Mayor White 09/1917 – Sanchez 12/19/17 – McGregor 09/19/17 – Michelson 09/20/17 – Castillo 09/22/17 – Mendoza</p> |
| | <p>Wayfinding Signage and Community Branding Ad-Hoc Committee (5 members)</p> <p>THIS COMMITTEE WAS - RE-ESTABLISHED ON MARCH 5, 2019</p> | <p>Roy Watson Ronda Reagan Sally Daniel Rob Ortiz Bobby Herzog</p> | <p>03/05/19 03/05/19 03/05/19 03/05/19 03/05/19 Appointed by Mayor with consensus of Council</p> |
| | <p>HOT Advisory Bd</p> | <p>Ray Sanders Alfredo Munoz Archana “Archie” Gandhi Roxanne Rix Steve Lewis and Pam Larison Sally Daniel (Alternate) Janet Grigar (Alternate)</p> | <p>All members appointed by consensus of the Council on 12/03/2019</p> |

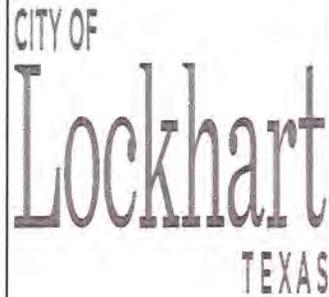
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0 City of Lockhart 2020 Board of Adjustment
 Attendance for a 12-Month Period

| Meeting Date: | Chair Cline | Vice-Chair Clark | Annas | Castillo | Reeder | Rangel | Juarez | Smith Alternate |
|------------------------------|-------------|------------------|---------|----------|---------|--------|--------|-----------------|
| January 6, 2020 - No Meeting | | | | | | | | |
| February 3, 2020 | PRESENT | PRESENT | PRESENT | PRESENT | PRESENT | ABSENT | ABSENT | PRESENT |
| March 2, 2020 - No Meeting | | | | | | | | |
| April 6, 2020 | | | | | | | | |
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|---------------------|------|------|------|------|------|----|----|------|
| Number of meetings: | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Present: | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 1 |
| % Absent: | 100% | 100% | 100% | 100% | 100% | 0% | 0% | 100% |

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**CITY OF LOCKHART
CONSTRUCTION BOARD OF APPEALS
BOARD ATTENDANCE REPORT - 2020
APPOINTING COUNCIL MEMBER**

| | JERRY WEST (12/03/2013) CHAIR (01/05/2017) | RAYMOND DELEON (6/4/2019) | RICK WINNETT, JR. (04/19/2016) VICE CHAIR (01/05/2017) | GARY SHAFER (08/18/2015) | MICHAEL VOETEE (10/4/2016) | PAUL MARTINEZ (03/07/2017) | OSCAR TORRES (05/15/2017) |
|--------------------------|---|------------------------------|---|-----------------------------|-------------------------------|-------------------------------|------------------------------|
| Member Title: | County Resident | | | Alternate | | | |
| Meeting Date: | | | | | | | |
| January 2, 2016 | NO MTG | NO MTG | NO MTG | NO MTG | NO MTG | NO MTG | NO MTG |
| January 16, 2020 | P | P | P | A | P | A | A |
| February 6, 2020 | NO MTG | NO MTG | NO MTG | NO MTG | NO MTG | NO MTG | NO MTG |
| February 20, 2020 | NO MTG | NO MTG | NO MTG | NO MTG | NO MTG | NO MTG | NO MTG |
| March 5, 2020 | | | | | | | |
| March 19, 2020 | | | | | | | |
| April 2, 2020 | | | | | | | |
| April 16, 2020 | | | | | | | |
| May 7, 2020 | | | | | | | |
| May 21, 2020 | | | | | | | |
| June 4, 2020 | | | | | | | |
| June 18, 2020 | | | | | | | |
| July 2, 2020 | | | | | | | |
| July 16, 2020 | | | | | | | |
| August 6, 2020 | | | | | | | |
| August 20, 2020 | | | | | | | |
| September 3, 2020 | | | | | | | |
| September 17, 2020 | | | | | | | |
| October 1, 2020 | | | | | | | |
| October 15, 2020 | | | | | | | |
| November 5, 2020 | | | | | | | |
| November 19, 2020 | | | | | | | |
| December 3, 2020 | | | | | | | |
| December 17, 2020 | | | | | | | |
| Total # Meetings: | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Present: | 1 | 1 | 1 | 0 | 1 | 0 | 0 |
| Absent: | 0 | 0 | 0 | 1 | 0 | 1 | 1 |

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**City of Lockhart 2020 -LHPC
Attendance for a 12-Month Period**

| Meeting Date: | CORPUS | LAIRSEN | ALVAREZ | FAULSTICH | REAGAN | THOMSON | McCORMICK |
|---|---------|---------|---------|-----------|------------|---------|-----------|
| | | CHAIR | | | VICE-CHAIR | | |
| January 1, 2020 | NO MTG | NO MTG | NO MTG | NO MTG | NO MTG | NO MTG | NO MTG |
| January 15, 2020 | NO MTG | NO MTG | NO MTG | NO MTG | NO MTG | NO MTG | NO MTG |
| February 5, 2020 | NO MTG | NO MTG | NO MTG | NO MTG | NO MTG | NO MTG | NO MTG |
| February 19, 2020 | NO MTG | NO MTG | NO MTG | NO MTG | NO MTG | NO MTG | NO MTG |
| March 4, 2020 | | | | | | | |
| March 18, 2020 | | | | | | | |
| April 1, 2020 | | | | | | | |
| April 15, 2020 | | | | | | | |
| May 6, 2020 | | | | | | | |
| May 20, 2020 | | | | | | | |
| June 3, 2020 | | | | | | | |
| June 17, 2020 | | | | | | | |
| July 1, 2020 | | | | | | | |
| July 15, 2020 | | | | | | | |
| August 5, 2020 | | | | | | | |
| August 19, 2020 | | | | | | | |
| September 2, 2020 | | | | | | | |
| September 16, 2020 | | | | | | | |
| October 7, 2020 | | | | | | | |
| October 21, 2020 | | | | | | | |
| November 4, 2020 | | | | | | | |
| November 18, 2020 | | | | | | | |
| December 2, 2020 | | | | | | | |
| December 16, 2020 | | | | | | | |
| Number of meetings: | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Present: | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Absent: | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| % Absent: | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| MEETINGS HELD THE 1ST & 3RD WEDNESDAY OF THE MONTH @ 5:30PM | | | | | | | |

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**CITY OF LOCKHART
Library Advisory Board
ATTENDANCE REPORT - 2020
APPOINTING COUNCIL MEMBER**



| Angie Gonales Sanchez | Brad Westmoreland | Mayor White | Juan Mendoza | John Castillo | Kara McGregor | Jeffry Michelson |
|-------------------------|--------------------------------|---|----------------------------------|-------------------------------------|-----------------------------|-----------------------------|
| Jody King (01/04/13) | Rebecca Lockhart (11/19/13) | Stephanie Wilson Riffin (06-17-2011) | Shirley Williams (06-15-2007) | Quartermetra Hughes (06/04/2019) | Jeannie Fox (12-03-2013) | Donaly Brice (7-05-2008) |

| | | | | | | |
|-----------|------------|--|--|--|--|--|
| January | NO MEETING | | | | | |
| February | NO MEETING | | | | | |
| March | | | | | | |
| April | | | | | | |
| May | | | | | | |
| June | | | | | | |
| July | | | | | | |
| August | | | | | | |
| September | | | | | | |
| October | | | | | | |
| November | | | | | | |
| December | | | | | | |

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|----------------|-----------------|--|--|--|--|--|
| LEGEND: | PRESENT: | | | | | |
|----------------|-----------------|--|--|--|--|--|

| | | | | |
|------------------|-------------------------|----------|---------------------------|----------|
| COMMENTS: | PRESENT: | P | UNEXCUSED ABSENCE: | U |
| | EXCUSED ABSENCE: | E | NO MEETING HELD: | |

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City of Lockhart

2019-2020 Strategic Priorities

Prepared by:



City of Lockhart

Summary

On February 1 & 2, 2019 the City of Lockhart hosted two half-day planning sessions to develop goals and strategies for the next 2 years. Some of these goal areas were internal, whereas others were external. The following is the process used to reach the conclusions for the plan.

The process began with a preliminary phone meeting between the facilitator and Steve Lewis, City Manager, to go over key issues facing the City, understand the programs and projects underway through the community, and to prepare the agenda and format for the planning retreat.

The first portion of the strategic planning process began on Friday, February 1, 2019 with the City Manager and the City of Lockhart Management Team. The facilitator began by asking the Management Team participants what their expectations for discussion for the day were. She then took the team through a SWOT (Strengths, Weaknesses, Opportunities, & Threats) Analysis. The next group exercise was a brainstorm called Start/Stop/Continue that lists the things that need to begin happening, stop happening, and are mission-critical and must continue regardless of circumstances.

The facilitator then guided the Management Team through 2019-2020 goal and strategy development to recommend to the City Council the following day.

On Saturday, February 2, 2019, the City Council and City Manager convened to review, revise, and establish priorities related to the recommendations generated the day before by the Management Team. Prior to the review, the facilitator asked the City Council to list their expectations for discussion for the day.

The following are the results.

Management Team Expectations for the Day's Discussion Topics

- That City Council will take what we say seriously
- Consider all staff in decisions
- Hear each other's goals
- Live by the plans we create / develop
- That Council develop goals / priorities based on sound data / research
- Focus
- Consider quality of life as over-arching goal
- Discuss business attraction vs. recruitment
- Being prepared for growth
- Facilities improvements
- Facilities maintenance
- How do we give back to those who need extra help?
- Smart land use practices
- Discuss Tourists/Tourism – what is there for kids to do while in town visiting family?

City Council Expectations for the Day's Discussion Topics

- Capitalize on Tourism
- Discuss Wi-Fi
- Capitalize on BBQ Capital of Texas
- Cleaning up of unsightly properties (residential)
- Work in unity today
- Serve our community
- Focus
- To discuss Economic Development targeting technology jobs
- Industrial Park is full – now what?
- Cleaning up of City properties / facilities
- Actually implement our goals
- Discuss the direction of Economic Development
- Think bigger / think change / embrace change
- Develop our identity
- Attractive gateway signage
- Employee wages
- Technology infrastructure

SWOT Analysis

The facilitator guided the participants through an analysis of their current Strengths, the current Weaknesses or Challenges they are facing, Opportunities that may come their way in the future, and Threats that are possible to occur in the future. Note that there are no right or wrong answers here and no implication of likelihood. This is simply a brainstorm of the opinions of the participants to get them thinking about goals in the next portion. The Management Team listed their responses first, then the City Council added additional items the following day.

Strengths

- Historic district
- County seat
- BBQ Capital of Texas
- Location to highways
- Tourism
- Small town (family-oriented)
- Growing – room for more
- Desire to manage growth
- Good development process
- Proximity to Austin
- Comparable housing prices
- Existing capacity of utilities
- Easy mobility
- Economic Development Sales tax
- Clark Library
- Baker Theatre
- Ease of developing land (flat)
- Employees who experience long tenure
- Volunteers
- CTR (Chisholm Trail Roundup) & other local events
- Community support
- Recognizable court house
- Movies / film production (TFC)
- Long-term water planning
- High-level financial planning
- Competitive building / development fees
- “Real” city with well-managed growth
- New energy
- Proximity to large cities / airport
- New residents – new ideas – changing priorities
- Diversity
- First Friday Downtown Event

Weaknesses / Challenges

- Incentives – Economic Development lack of use
- Technology – aging equipment and software
- Infrastructure
- Facilities – condition / maintenance
- Competitive salaries within region
- Training opportunities
 - Professional development
 - Budget
- Closed minds – have always done it this way
- Tourism
- Managing growth
- Need for succession planning
- Public perception influencing job applicant pool
- Weak tax base
- Limited in-town post-secondary educational opportunities
- Lack of retail
- Lack of entertainment (kids)
- Limited grocery options
- City-owned property
- College
- Venue / convention center
- Lack of hotels
- Entryways to community
- Not using TIF financing
- Emerging downtown organization
- How to effectively support increasing, ever-growing number of festivals
 - Create packages for vendors and festivals
- No city recreation programs
- In-kind services
- Very limited public transportation services
- Outdated web information
- Poor communication with citizens

Opportunities

- Expand airport (hangars)
 - Install AWOS (Automated Weather Observing System)
- Improve working conditions of employees
- Proximity to Austin
- Implement first phase of parks master plan
- SH-130 has great properties but not city-owned property
- Undeveloped lots on Square and north / northwest of Square
- Long-tenured elected leadership
- Increase community involvement
- To develop positive relationship with County, School, and organizations
- Quality economic growth
- Franchise recreational or entertainment venues (theaters, bowling, outlets, concerts, water parks)
- Community college campus
- Increased communication needed with ISD for school planning, infrastructure, etc.
- Expand walking / biking opportunities for exercise and community involvement
- Lockhart Springs (natural spring)
- Lockhart State Park transfer to City
- Potential residential development around golf course
- Development within historic district
- School district growth
- Housing growth
- Business growth
- St. Paul Church and other redevelopment opportunities
- Hospital / medical facilities
- Public bathrooms downtown
- Develop Industrial Park
- More involvement with San Marcos Greater Partnership
- Partnership with Austin Chamber
- EDC \$ will go further today than in 2 years (spec buildings, parking)

Threats

- Economic recession
- Voter turnout
- Government shutdown
- Citizen input
- Natural disaster
- Leadership in government
- Lack of economic development direction
- Competition from other cities
- Lack of resources
- Building maintenance
- Technology – cyber security
- Surging population
- Infrastructure improvement
- Maintaining reputation
- Planning without follow through
- Lack of educated workforce – skilled labor
- Crime
- Lack of workforce – people
- Retention and hiring
- Youth retention
- School quality
- Lack of industry
- Lack of racial unity
- Micro-managing
- Other utilities providers
- Homeless services – transportation
- Types of future growth

Start/Stop/Continue

The facilitator guided the Management Team through an exercise that challenged them to brainstorm things that the City really needed to begin doing, what they should stop doing that could be a waste of resources, and what must they continue doing, regardless of circumstances. Below are their responses. Note that there are no right or wrong items; these are merely individuals' opinions about the things that should and shouldn't change in Lockhart. Just because one person has a certain opinion on a topic, that does not imply anyone else shared that opinion.

Start

- Space allocation study
- Renovate City buildings – construct
- Downtown bathrooms
- Improve salaries – salary survey
- Staff development program / policies / procedures
- Consistency in purchasing
 - Revamp purchasing policy
- Replacing capital equipment / vehicles – vehicle fund
- Mandatory single stream recycling
- IT department, in-house City Engineer
- New technology in terms of equipment, network, server, software
- Re-assess who is in charge of downtown redevelopment
 - Name which entity (or entities) funds downtown redevelopment initiatives
 - Name which entity (or entities) manages downtown redevelopment initiatives
- 2020 Comprehensive Master Plan Update that includes a future land use plan and map

Stop

- In-house utility billing (consider outsourcing)
- Outsourcing IT (consider bringing in-house)
- Repetitive useless paperwork (paperwork/policies must be updated and streamlined)
- Increasing overtime in fire and police (hire more to fix this issue)
- Using outdated equipment
- Hand -picking collections of recycled goods (business pick up)
- Laying asphalt driveway approaches for “free”
- Demolition of condemned houses – stop doing in-house (needs to be outsourced)

Continue

- Meeting with County, City, School, Chamber, EDC
- Implementing 2020 Plan and Updates
- Attracting businesses – growth
- Providing superior service
- Redeveloping Downtown
- Implement Parks Master Plan
- Being a great place to work
- Public investments along SH-130
- Supporting festivals / movie projects
- Financial planning
- Embracing tourism

Goal 1: Economic Development / Planning

| Strategies |
|---|
| 1. Partner with LISD and local youth organizations to encourage careers in local emergency services (Fire and Police) |
| 2. Reassess who is in charge of managing and funding downtown development and tourism |
| 3. Attract a post-secondary education campus / facility |
| 4. Complete updating our development ordinances |
| 5. Consider development tools to facilitate attraction / recruitment to SH 130 corridor |
| 6. Bring utilities, assist assembling parcels, rezoning tracts along SH 130 |
| a) Shovel ready |
| b) Pursue prospects |
| 7. Start investing in more property for growth |
| 8. Explore next industrial park |
| 9. HOT (Hotel Occupancy Tax) Funds – revamp structure |
| 10. Economic Development Strategic Plan |
| 11. Robust LEDC website |

Goal #1 KPIs / Metrics:

- Did we partner with LISD & other youth organizations to encourage emergency services careers?
- Did we reassess downtown development and tourism initiatives and who leads each?
- Did we initiate efforts to attract a post-secondary educational institution or facility to Lockhart?
- Did we completely update our development ordinances?
- Did we brainstorm development tools for SH-130 development?
- Did we bring utilities and assemble parcels along SH-130?
- Did we develop shovel-ready development sites?
- Did we market those sites to prospective investors?
- Did we develop plans for our next industrial park?
- Did we revamp the way HOT funds are structured?
- Did we develop and implement an Economic Development Strategic Plan?
- Did the Lockhart EDC revamp their website to better attract investment?

Goal 2: Quality of Life / Quality of Facilities

| Strategies |
|---|
| 1. Invest money to improve the appearance of our town (streets, parks, entry signs) |
| 2. Conduct a Space Study of City Buildings and facilities including City Hall |
| 3. Improve the image of City facilities as needed |
| 4. Update, renovate, and construct City facilities as needed |
| 5. Implement the Parks Master Plan, improving the quality of life for community |
| 6. Conduct a citywide quality of life citizen survey |

Goal #2 KPIs / Metrics:

\$ amount invested in streets in 2019 and 2020? \$ _____

\$ amount invested in parks in 2019 and 2020? \$ _____

\$ amount invested in gateway entry signs in 2019 and 2020? \$ _____

of City facilities we improved the appearance of? _____

- Which facilities did we improve the image of?
- Did we implement elements of the Parks Master Plan?
- Did we secure quotes on a Space Study of City buildings including City Hall?
- How many City-owned buildings did we renovate or retrofit?
- Did we conduct a citywide quality of life citizen survey?
- Did we address levels of service based on the citizen responses we received?
- Did we address levels of satisfaction based on the citizen responses we received?
- Did we address areas for improvement based on the citizen responses we received?

Goal 3: Staffing / Personnel

| Strategies |
|---|
| 1. Consider hiring additional personnel (engineer, IT, etc.) |
| 2. Conduct a staffing study that includes evaluating efficiencies and compensations |
| 3. Right size staffing levels city-wide based on study results |
| 3. Consider starting salaries that compete with surrounding communities |
| 4. Be consistent with staff development / policies / purchasing procedures |
| 5. Implement a staff development program (be consistent) |
| 6. Start developing / preparing current staff to take on leadership roles within the organization in the future |
| 7. Bi-lingual staff |
| 8. Customer service / experience excellence training |

Goal #3 KPIs / Metrics:

of new positions in 2019 and 2020? _____

- Did we perform a staffing efficiency/compensation study?
- Did we right-size our salaries based on that study by the end of 2020?
- Did we develop new consistent policies and procedures regarding professional development of staff?
- Did we develop new consistent policies and procedures regarding purchasing/procurement?
- Did we create and implement a new staff development program to ensure everyone has training opportunities?
- Did we begin grooming current staff for future leadership roles?
- How many staff do we have on a leadership track by the end of 2020?

of new employees added in 2019 and 2020 who are bilingual? _____

- Did we deliver Customer Experience Excellence training to every City employee?

Goal 4: Procedures / IT / Software and Hardware

| Strategies |
|---|
| 1. Conduct a Technology Assessment that yields specific recommendations |
| 2. Improve technology / create specific strategies to have better IT support based on Assessment results |
| 3. Upgrade all technology-related issues as recommended – desktops, servers, software, equipment, and peripherals |
| 4. Start replacing old equipment |
| 5. Provide superior service by keeping technology up to date and being able to communicate with the public (keep an open line of communication through website) |
| 6. Carefully weigh all the pros and cons of considering bringing IT in-house |
| 7. Upgrade the operating system |
| 8. Streamline technology hardware, software processes within the City, based on Assessment recommendations |
| 9. Upgrade all equipment and software and be trained on specific software to be used to maximum potential |
| 10. Explore implementing downtown Wi-Fi |

Goal #4 KPIs / Metrics:

- Did we conduct a Technology Assessment?
- Did we secure top quality technology support across all departments by the end of 2020?
- Did we upgrade our desktop computers?
% of employees who received upgraded computers by the end of 2020 (from 2018 numbers)? _____
- Did we upgrade our servers?
- Did we upgrade our computer software, subscriptions, and licenses?
- Did we upgrade our peripherals?
- Did we upgrade our other technology equipment?
- Did we establish an IT policy for updates and replacements that will keep us up-to-date from now through the future?
- Did we carefully weigh all the pros and cons of keeping IT outsourced vs. bringing it in-house?
- Did we upgrade our City operating system?
- Did we streamline our City technology processes?
- Did we secure training for staff to use all new equipment properly and efficiently?
- Did we investigate implementing WiFi throughout Downtown Lockhart?

Goal 5: Public Safety

| Strategies |
|---|
| 1. Provide quality public safety to all citizens of Lockhart |
| a) Develop a specific Retention Strategy first |
| b) Develop a specific Hiring Strategy |
| c) Long-term public safety facility planning |
| d) Develop an equipment replacement schedule |
| e) Ensure use of best practices / standards (research best practices, then implement) |
| f) Evaluate Accreditation opportunities |

Goal #5 KPIs / Metrics:

of new law enforcement officers hired in 2019?

of new law enforcement officers hired in 2020?

% law enforcement officers retained?

of new firefighters hired in 2019?

of new firefighters hired in 2020?

% firefighters retained?

Did we develop a long-term public safety facilities plan?

Did we develop a public safety equipment replacement schedule?

Did we implement that new replacement schedule?

Did we research and record best practices across the country regarding public safety policy?

Did we make any modifications to our public safety policies based on that research?

Did we explore and evaluate Accreditation opportunities?

Conclusion

At the end of the planning retreat, the facilitator reminded all the participants that these goals would only be achieved if they held true to their commitments today to implement these specific strategies and tactics.

She reminded them that they are one team working toward one vision. The participants agreed to use this document regularly throughout 2019 and 2020 to track progress and measure accomplishments.

CITY COUNCIL FY 18-19 GOALS (FINAL COMBINED)

PRIORITY ORDER

| COUNCILMEMBER | PRIORITY | FY 18-19 GOALS |
|----------------------|-----------------|--|
| CASTILLO | 1 | Infrastructure Improvements: streets |
| GONZALES-SANCHEZ | 1 | Hire A City Manager |
| MCGREGOR | 1 | Economic development, creating and retaining jobs, grocery campaign. |
| MENDOZA | 1 | Pay Raise City Employees. |
| MICHELSON | 1 | Public relations position/ get the word out about Lockhart (promoting) |
| WESTMORELAND | 1 | Infrastructure Improvements: streets |
| WHITE | 1 | Economic development, creating and retaining jobs, grocery campaign. |
| CASTILLO | 2 | Economic development, creating and retaining jobs, grocery campaign. |
| GONZALES-SANCHEZ | 2 | All Department Heads to Budget Salary Increases for all City Employees. |
| MCGREGOR | 2 | Work with LISD to establish a community recreation center at the Adams Gym, per under Parks |
| MENDOZA | 2 | Economic development, creating and retaining jobs, grocery campaign. |
| MICHELSON | 2 | Signage in Lockhart (highway, downtown, and toll) / Wayfinding, branding,...) |
| WESTMORELAND | 2 | Signage in Lockhart (highway, downtown, and toll) / Wayfinding, branding,...) |
| WHITE | 2 | Public relations position |
| CASTILLO | 3 | Continued police community committee involvement, neighborhood watch, gang awareness |
| GONZALES-SANCHEZ | 3 | Infrastructure: Continue City Infrastructure: Drainage, Street Repairs, Completion of Curbing, Brighter Lighting in Neighborhoods |
| MCGREGOR | 3 | Prepare Fire Station #3 (so we can have existing station remodeled) |
| MENDOZA | 3 | Continued police community committee involvement, neighborhood watch, gang awareness |
| MICHELSON | 3 | Prepare Fire Station #3 (so we can have existing station remodeled) |
| WESTMORELAND | 3 | More enforcement of codes directed at unsightly properties |
| WHITE | 3 | Wayfinding, branding, develop new entry sign and city markers |
| CASTILLO | 4 | City Facilities: Maintenance and repairs Economic Development: Recruit more businesses especially retail and continue efforts; contact existing and vacant building owners to see if they are willing to work with the City of Lockhart to bring retail businesses and specialty shops, as well as industrial. Purchase buildings and land when on the market for possible new businesses for the city. |
| GONZALES-SANCHEZ | 4 | Public relations position work with social media/ get the word out about Lockhart |
| MCGREGOR | 4 | Public relations position work with social media/ get the word out about Lockhart |
| MENDOZA | 4 | City Facilities: Maintenance and repairs |

CITY COUNCIL FY 18-19 GOALS (FINAL COMBINED)

PRIORITY ORDER

| COUNCILMEMBER | PRIORITY | FY 18-19 GOALS |
|----------------------|-----------------|---|
| MICHELSON | 4 | Refurbish City Hall inside (making it more inviting) |
| WESTMORELAND | 4 | Move forward with St Paul property project |
| WHITE | 4 | Park improvements- consider medium to long range plan for Town Branch development |
| CASTILLO | 5 | Affordable housing Police Task Force: Budget extra funds for a Police Task Force, a Narcotics Officer and a Mental Health Officer to address any drug and gang related problems and mental issues our city is being faced not only on the East side of our city but citywide. Budget for updated training for our police officers. There is a lot of training that is free |
| GONZALES-SANCHEZ | 5 | but a lot additional money for registration fees and course material. |
| MCGREGOR | 5 | Free public wifi on the square |
| MENDOZA | 5 | Parks improvements |
| MICHELSON | 5 | Continued police community committee involvement, neighborhood watch, gang awareness |
| WESTMORELAND | 5 | Angled parking downtown: N Main and N Commerce Sts(change during downtown drainage project) |
| WHITE | 5 | Continued police community committee involvement, neighborhood watch, gang awareness |
| CASTILLO | 6 | Wellness for employees |



CITY COUNCIL FY 18-19 GOALS

Category Order and Comments by City Manager

Council agreed at February 13 meeting that each Councilmember will submit at least 5 category goals in priority order to the City Manager to be considered by Council at first meeting in March, 2018

| CM INITIALS | PRIORITY # | GOALS IDENTIFIED BY COUNCIL FOR FY 18-19: SORTED BY CATEGORY FINAL LIST BY COUNCIL PRIORITIZED BY CATEGORY: SUBMIT TO CITY MGR BY MARCH 1 PLEASE | SUGGESTED FUNDING SOURCE BY COUNCILMEMBER | SORTED BY CATEGORY |
|-------------|------------|--|---|--------------------|
| | | Improve communication between City and Chamber of Commerce | In-House | Chamber |
| | | City Facilities | GF | City Bldgs |
| | | Refurbish City Hall inside (making it more inviting) | Gen Fund | City Bldgs |
| | | Prepare Fire Station 3 (so we can have main station remodeled) | Gen Fund | City Bldgs |
| | | Hire A City Manager, Hire a City Manager that is Well Rounded and Experienced and Will Help our City to Continue to Grow for the right and positive reasons. To hire a City Manager that will allow our Department Heads to Grow and Improve Our Departments with their recommended suggestions not only from our department heads but from our employees. Working Smarter not Harder. | GF | City Manager |
| | | More code enforcement of codes directed at unsightly properties | In-House | Code Enforc |
| | | Continue demo of unsafe structures and pursue liens aggressively | GF | Code Enforc |
| | | Convention Center. Our city is growing and there are too many events, programs and conferences that are going to other surrounding areas to have these events and those surrounding area businesses are benefitting and money is being spent in those areas instead on money being spent in our city. Granted, we do have meeting facilities in our city but these meeting facilities do not accommodate the number of people for the above events that have been mentioned. | GF | Convention Center |
| | | Downtown improvements-lighting, pedestrian safety, south plaza idea? Sculpture? Sidewalk mosaics? | GF | Downtown |
| | | Economic development, creating and retaining jobs, grocery campaign | general fund, LEDC | Econo Devl |
| | | Economic Development | | Econo Devl |
| | | Expand economic development (by helping to spread the word & being more involved) | Gen Fund | Econo Devl |
| | | Economic Development: Recruit more businesses especially retail and continue efforts; contact existing and vacant building owners to see if they are willing to work with the City of Lockhart to bring retail businesses and speciality shops, as well as industrial. Purchase buildings and land when on the market for possible new businesses for the city. Art Galleries and Music Venues have increased within our downtown area and though many many not appreciate these type of business and or venues, it is good for our downtown and its livelihood. Let's work on getting more of the speciality shops and boutiques in or around the square. | GF | Econo Devl |
| | | Pay raise across the board | GF | Employees |
| | | All Department Heads to Budget Salary Increases for all City Employees. | GF | Employees |
| | | Wellness for employees | GF | Employees |
| | | Employee: Possible additional Employee Holiday Time Off-Alternating System. Even though this has been discussed and the reasons for why it cannot be done, I would like to see a time off alternating system, especially during the holidays. I did appreciate that the city employees were allowed to stay home during our icy, sleet and snow days. The safety of our employees is very important. | GF | Employees |
| | | Subdivision developemnt to attract more businesses to Lockhart. Increase the number of homes, apartments, housing. Our city is growing with new citizens wanting to make Lockhart their home but due to the number of housing available, they wait and or possibly lose interest. | GF | Housing |
| | | Infrastructure | GF | Infrastructure |
| | | Infrastructure improvement- uncurbed streets, street rehab | GF | Infrastructure |
| | | Improve Streets (repairs) | In-House | Infrastructure |

| CM INITIALS | PRIORITY # | GOALS IDENTIFIED BY COUNCIL FOR FY 18-19: SORTED BY CATEGORY FINAL LIST BY COUNCIL PRIORITIZED BY CATEGORY: SUBMIT TO CITY MGR BY MARCH 1 PLEASE | SUGGESTED FUNDING SOURCE BY COUNCILMEMBER | SORTED BY CATEGORY |
|-------------|------------|--|---|--------------------|
| | | Infrastructure: Continue City Infrastructure: Drainage, Street Repairs, Completion of Curbing, Brighter Lighting in Neighborhoods | GF | Infrastructure |
| | | Angled parking for N Main and N Commerce Streets (change during downtown project) | In-House | Parking Downtown |
| | | Parking around and surrounding the square. Issues with larger vehicles parked in areas that are narrow and that make it hard to see oncoming traffic. Our city is growing and we have been very fortunate with our parking however, it is a concern especially when you have the bigger and wider trucks that are parked in an area that is for a moderate size car. It becomes a hazard and a blind spot when trying to reverse out of the parking space and a blind spot for any and all pedestrians. | GF | Parking Downtown |
| | | Continue to work on City Park improvements | Gen Fund | Parks |
| | | Revive all City parks | Grants | Parks |
| | | Work with LISD to establish a community recreation center at Adams Gym, perhaps under Parks (PUBLIC HEALTH/PARKS) | General Fund/Parks & Rec | Parks |
| | | Add 3 positions to the Parks Department, to help facilitate other improvements (PARKS) | General Fund/Parks & Rec | Parks |
| | | Park improvements - consider medium to long range Town branch development | GF | Parks |
| | | Develop a dog park as part of the Stueve Lane Monte Vista Tract (PARKS/ANIMAL SHELTER/PUBLIC HEALTH) | General Fund/Parks & Rec | Parks |
| | | Parks Improvemens: Purchase and update the park equipment to provide safe and fun filled parks for all to use. | GF | Parks |
| | | Start Planning for 2040 plan | GF | Planning |
| | | Police | GF | Police |
| | | Continued Police Community committee involvement, neighborhood watch, gang awareness | GF | Police |
| | | Work with Police Department to bring back drug enforcement program | Gen Fund | Police |
| | | Get back to Neighborhood Townhall Meetings | GF | Police |
| | | Police Task Force: Budget extra funds for a Police Task Force, a Narcotics Officer and a Mental Health Officer to address any drug and gang related problems and mental issues our city is being faced not only on the East side of our city but citywide. Budget for updated training for our police officers. There is alot of training that is free but alot additional money for registration fees and course material. I am grateful that the Police Department did invest in our Drug Dog and is being utilized by the school as well. | GF | Police |
| | | High School cadet programs for police, fire, EMS | GF | Police/Fire |
| | | Public relations position to deal with social media | GF | Public Relations |
| | | Get the word out about Lockhart (promoting, hiring a Public Relations person) | Gen Fund | Public Relations |
| | | Sidewalk repair and expansion | GF | Sidewalks |
| | | Signage in Lockhart (highway, downtown, and toll road) | Gen Fund | Signage |
| | | Wayfinding, branding - develop new entry sign and city property markers | GF | Signage |
| | | Move Forward with St Paul property project | In-House | St Paul Gift |
| | | Develop an oral history project to support a future "Walking Tour" app for Lockhart (ECONOMIC DEV/DOWNTOWN) | General Fund/Fundraising | Tourism |
| | | More Events to Attract Tourism in Lockhart and Include Way Finding Signage (Hotels and Restaurants). Added events, especially the events that are free to the public do very well for the city as well as for the businesses and tourism. I welcome new events to the city but need to be selective in the events that we do host. | GF | Tourism |
| | | Create a Good Neighbor program (Lockhart Utility Customers can add an additional amount to utility bill to help others) | GF | Utility Customers |

| CM INITIALS | PRIORITY # | GOALS IDENTIFIED BY COUNCIL FOR FY 18-19: SORTED BY CATEGORY FINAL LIST BY COUNCIL PRIORITIZED BY CATEGORY: SUBMIT TO CITY MGR BY MARCH 1 PLEASE | SUGGESTED FUNDING SOURCE BY COUNCILMEMBER | SORTED BY CATEGORY |
|-------------|------------|---|---|--------------------|
| | | Access to Municipal Court for Utility Payments | In-House | Utility Customers |
| | | Free public wifi on the square as part of the redevelopment on the North side (ECONOMIC DEV/DOWNTOWN) | CAPCOG Grant? | Wifi |
| | | Free public wifi on the square as part of the redevelopment on the North side | GF | Wifi |

| CM INITIALS | PRIORITY # | GOALS IDENTIFIED BY COUNCIL FOR FY 18-19: SORTED BY CATEGORY | SUGGESTED FUNDING SOURCE BY COUNCILMEMBER | SORTED BY CATEGORY | CITY MANAGER COMMENTS |
|-------------|------------|--|---|--------------------|--|
| BW | 7 | Improve communication between City and Chamber of Commerce | In-House | Chamber | City Staff works together with Chambers on all their events by being a co-sponsor with many in-kind services. Robert Tobias attends their meetings and periodically makes presentations about Economic Development issues. |
| JC | 4 | City Facilities | GF | City Bldgs | Budget for roofs and major repairs |
| JEFF M | 5 | Refurbish City Hall inside (making it more inviting) | Gen Fund | City Bldgs | Working on it; repairs to ceiling in progress, restrooms to be refurbished and replace signage with more informative directions. |
| JEFF M | 7 | Prepare Fire Station 3 (so we can have main station remodeled) | Gen Fund | City Bldgs | New plans will be prepared working with new Chief who has different ideas than the previous Chief |
| AGS | 1 | Hire A City Manager. Hire a City Manager that is Well Rounded and Experienced and Will Help our City to Continue to Grow for the right and positive reasons. To hire a City Manager that will allow our Department Heads to Grow and Improve Our Departments with their recommended suggestions not only from our department heads but from our employees. Working Smarter not Harder. | GF | City Manager | I concur. The current City Mgr has rode back of garbage trucks, climbed electrical poles, worked water/sewer/asphalt/concrete projects, and has been a utility collections clerk, and during these experiences learned the value of suggestions for charge that comes from employees in such positions. All department heads/supervisors are encouraged to listen to employees who have constructive ideas that would benefit in performing assigned tasks. City Mgr has also learned there are employees who keep there hands in their pockets and talk while everyone else is working and these are the same ones who are often found to be dishonest in their paperwork, sleep on the job, and have a poor attendance record. |
| BW | 1 | More code enforcement of codes directed at unsightly properties | In-House | Code Enforc | Will continue to address as complaints come in and as found during investigation outings. |
| LW | 8 | Continue demo of unsafe structures and pursue liens aggressively | GF | Code Enforc | Will continue to address and City Attorney exploring process to recover demolition costs |
| AGS | 11 | Convention Center. Our city is growing and there are too many events, programs and conferences that are going to other surrounding areas to have these events and those surrounding area businesses are benefitting and money is being spent in those areas instead on money being spent in our city. Granted, we do have meeting facilities in our city but these meeting facilities do not accommodate the number of people for the above events that have been mentioned. | GF | Convention Center | HOT funds and/or Bond Issue. Maintenance funds will be a minimum of \$150,000 annually not including director's salary, utilities, and insurance. |
| LW | 9 | Downtown improvements-lighting, pedestrian safety, south plaza idea? Sculpture? Sidewalk mosaics? | GF | Downtown | CAPCOG/CO project will address |
| LW | 1 | Economic development, creating and retaining jobs, grocery campaign | general fund, LEDC | Econo Devl | Robert Tobias working with several companies now |
| JC | 2 | Economic Development | GF | Econo Devl | See above |

| CM INITIALS | PRIORITY # | GOALS IDENTIFIED BY COUNCIL FOR FY 18-19: SORTED BY CATEGORY | SUGGESTED FUNDING SOURCE BY COUNCILMEMBER | SORTED BY CATEGORY | CITY MANAGER COMMENTS |
|-------------|------------|---|---|--------------------|---|
| JEFF M | 3 | Expand economic development (by helping to spread the word & being more involved) | Gen Fund | Econo Devl | Robert Tobias is involved with the San Marcos Partnership, local chambers, and with downtown businesses on a regular basis. Leads from the Governor's office and the Austin Chamber are also pursued as applicable. |
| AGS | 4 | Economic Development: Recruit more businesses especially retail and continue efforts; contact existing and vacant building owners to see if they are willing to work with the City of Lockhart to bring retail businesses and specialty shops, as well as industrial. Purchase buildings and land when on the market for possible new businesses for the city. Art Galleries and Music Venues have increased within our downtown area and though many not appreciate these type of business and or venues, it is good for our downtown and its livelihood. Let's work on getting more of the specialty shops and boutiques in or around the square. | GF | Econo Devl | The problem is that many of the property owners downtown do not have the funds to customize their buildings to support specialty shops which most the time are not willing to spend money on a building. Rob Tobias is exploring ways to address this issue. |
| JUAN M | 1 | Pay raise across the board | GF | Employees | Estimated Costs Including Benefits: For each 1% for non-civil service= \$52,000 For each 1% for civil service = \$28,000 |
| AGS | 2 | All Department Heads to Budget Salary Increases for all City Employees. | GF | Employees | See above |
| JC | 5 | Wellness for employees | GF | Employees | City provides good health insurance (\$586 per month each) with wellness plans for employees; many Cities have stopped this benefit and only provide a stipend for insurance. |
| AGS | 9 | Employee: Possible additional Employee Holiday Time Off-Alternating System. Even though this has been discussed and the reasons for why it cannot be done, I would like to see a time off alternating system, especially during the holidays. I did appreciate that the city employees were allowed to stay home during our icy, sleet and snow days. The safety of our employees is very important. | GF | Employees | City employees with vacation leave and holiday time are off 23 days a year with pay which is more than a month of work days. The only holidays not given that we found are Columbus Day and Texas Independence Day. Employee safety is very important, however, some employees must come in to make conditions safe for residents and to respond to emergency conditions and that responsibility belongs to each department head who determines based on staff levels and skills time off during holiday times. |
| AGS | 6 | Subdivision development to attract more businesses to Lockhart. Increase the number of homes, apartments, housing. Our city is growing with new citizens wanting to make Lockhart their home but due to the number of housing available, they wait and or possibly lose interest. | GF | Housing | 6 housing projects in place at different phases. City Manager recommended incentives to builders three years ago which Council approved and during the time it was in place it produced more housing. As a result, more engineering of subdivisions has begun. |
| JC | 1 | Infrastructure | GF | Infrastructure | \$400,000 or more yearly needed for streets |
| LW | 2 | Infrastructure improvement- uncurbed streets, street rehab | GF | Infrastructure | See above. It will take a major bond issue to address all streets that do not have curbs. |
| BW | 3 | Improve Streets (repairs) | In-House | Infrastructure | See above. |

| CM INITIALS | PRIORITY # | GOALS IDENTIFIED BY COUNCIL FOR FY 18-19: SORTED BY CATEGORY | SUGGESTED FUNDING SOURCE BY COUNCILMEMBER | SORTED BY CATEGORY | CITY MANAGER COMMENTS |
|-------------|------------|---|---|--------------------|---|
| AGS | 3 | Infrastructure: Continue City Infrastructure: Drainage, Street Repairs, Completion of Curbing, Brighter Lighting in Neighborhoods | GF | Infrastructure | For streets please see above. Brighter lighting is always a challenge in a city with so many trees. Lockhart still must comply with Senate Bill 5 which regulates power usage. Several cities have passed an ordinance that does not allow for the planting of trees within 15' of the right of way to improve lighting of streets and reduce tree trimming around power lines. |
| BW | 4 | Angled parking for N Main and N Commerce Streets (change during downtown project) | Ja-House | Parking Downtown | Scheduled with downtown improvements. Should also consider making 100 Blocks of N Main and N Commerce one-way and possibly consider other blocks downtown especially north/south streets. |
| AGS | 10 | Parking around and surrounding the square. Issues with larger vehicles parked in areas that are narrow and that make it hard to see oncoming traffic. Our city is growing and we have been very fortunate with our parking however, it is a concern especially when you have the bigger and wider trucks that are parked in an area that is for a moderate size car. It becomes a hazard and a blind spot when trying to reverse out of the parking space and a blind spot for any and all pedestrians. | GF | Parking Downtown | Scheduled with downtown improvements |
| JEFF M | 2 | Continue to work on City Park improvements | Gen Fund | Parks | Master Plan near complete |
| BW | 2 | Revive all City parks | Grants | Parks | Master Plan near complete |
| KM | 2 | Work with LISD to establish a community recreation center at Adams Gym, perhaps under Parks (PUBLIC HEALTH/PARKS) | General Fund/Parks & Rec | Parks | Mayor is visiting with LISD about this |
| KM | 3 | Add 3 positions to the Parks Department, to help facilitate other improvements (PARKS) | General Fund/Parks & Rec | Parks | Approx. \$100,000 to budget not including equipment and vehicles |
| LW | 3 | Park improvements - consider medium to long range Town branch development | GF | Parks | Bond issue needed |
| KM | 4 | Develop a dog park as part of the Stueve Lane Monte Vista Tract (PARKS/ANIMAL SHELTER/PUBLIC HEALTH) | General Fund/Parks & Rec | Parks | Estimate on this property is \$ 25000 using used fencing. Maintenance and insurance are also cost factors |
| AGS | 8 | Parks Improvements: Purchase and update the park equipment to provide safe and fun filled parks for all to use. | GF | Parks | Master Plan near complete |
| JUAN M | 3 | Start Planning for 2040 plan | GF | Planning | Needs to be done |
| JC | 3 | Police | GF | Police | Chief Pedraza is working on these issues. Recently issued update that was sent to Council. |
| LW | 4 | Continued Police Community committee involvement, neighborhood watch, gang awareness | GF | Police | See above |
| JEFF M | 4 | Work with Police Department to bring back drug enforcement program | Gen Fund | Police | See above |
| JUAN M | 5 | Get back to Neighborhood Townhall Meetings | GF | Police | Will get with Chief about this |

| CM INITIALS | PRIORITY # | GOALS IDENTIFIED BY COUNCIL FOR FY 18-19: SORTED BY CATEGORY | SUGGESTED FUNDING SOURCE BY COUNCILMEMBER | SORTED BY CATEGORY | CITY MANAGER COMMENTS |
|-------------|------------|--|---|--------------------|---|
| AGS | 5 | Police Task Force: Budget extra funds for a Police Task Force, a Narcotics Officer and a Mental Health Officer to address any drug and gang related problems and mental issues our city is being faced not only on the East side of our city but citywide. Budget for updated training for our police officers. There is a lot of training that is free but a lot additional money for registration fees and course material. I am grateful that the Police Department did invest in our Drug Dog and is being utilized by the school as well. | GF | Police | Chief Pedraza reports that Lockhart has two certified mental health officers, and he feels there is sufficient funding for training. He also reports that a new Narcotics Officer would cost about \$90,000 for salary/benefits, training, a vehicle, and all required equipment. |
| LW | 10 | High School cadet programs for police, fire, EMS | GF | Police/Fire | Will visit with department heads again about this |
| LW | 6 | Public relations position to deal with social media | GF | Public Relations | Position would cost with benefits about \$45,000 annually and would need more tasks to perform. |
| JEFF M | 6 | Public relations position to deal with social media | GF | Public Relations | See above |
| LW | 7 | Sidewalk repair and expansion | GF | Sidewalks | Costs average about \$25 per linear foot |
| JEFF M | 1 | Signage in Lockhart (highway, downtown, and toll road) | Gen Fund | Signage | Wayfinding and Branding Committee in place |
| LW | 5 | Wayfinding, branding - develop new entry sign and city property markers | GF | Signage | See above |
| BW | 5 | Move Forward with St Paul property project | In-House General | St Paul Gift | Working on costs associated with this projects which involve asbestos/lead paint survey and possible abatement, ADA restrooms, ADA entry ramp, kitchen changes, and other repairs. |
| KM | 5 | Develop an oral history project to support a future "Walking Tour" app for Lockhart | Fund/Fundraising | Tourism | Could be part of the Wayfinding and Branding Committee tasks |
| AGS | 7 | More Events to Attract Tourism in Lockhart and Include Way Finding Signage (Hotels and Restaurants). Added events, especially the events that are free to the public do very well for the city as well as for the businesses and tourism. I welcome new events to the city but need to be selective in the events that we do host. | GF | Tourism | Chambers receive HOT funds for tourism and City co-sponsors events that contribute to tourism. |
| JUAN M | 4 | Create a Good Neighbor program (Lockhart Utility Customers can add an additional amount to utility bill to help others) | GF | Utility Customers | Have pursued this in the past. Requires a Board or Committee that is willing to take on the tasks of selecting who and how much help can be provided to customers. Some Cities allocate the funds to existing organization that is willing to take on the project. |
| BW | 6 | Access to Municipal Court for Utility Payments | In-House | Utility Customers | Working to this; advertisements and office training needed. |
| KM | 1 | Free public Wi-Fi on the square as part of the redevelopment on the North side (ECONOMIC DEV/DOWNTOWN) | CAPCOG Grant? | Wi-Fi | County judge had indicated to Mayor that the County could do this. |
| JUAN M | 2 | Free public wifi on the square as part of the redevelopment on the North side | GF | Wifi | See Above |

| LOCKHART CITY COUNCIL FY 17-18 GOALS | | | | |
|--------------------------------------|----------|---|--|----------------|
| Category and Priority Order | | | | |
| COUNCIL MEMBER | PRIORITY | GOALS IDENTIFIED BY COUNCIL FOR FY 17-18 (as submitted by Councilmembers) | SUGGESTED FUNDING SOURCE BY COUNCILMEMBER | CATEGORY |
| BH | 3 | Continue Improving City Cemetery | with GF Expiring debt saving and/or Cemetery Tax | CEMETERY |
| Jeff M | 2 | Refurbish City Hall in the inside (to make more inviting to the public) as well as doing some landscaping outside | General Fund | CITY BLDGS |
| BW | 3 | Spruce up and clean up City properties | | CITY BLDGS |
| BH | 4 | Improve City Facilities Appearance | | CITY BLDGS |
| JC | 4 | City Facilities | | CITY BLDGS |
| AGS | 10 | Convention Center | | CONVENTION CTR |
| JC | 2 | Crime | | CRIME |
| AGS | 4 | Police Task Force: Budget extra funds for a Police Task Force, a Narcotics Officer and a Mental Health Officer to address any drug and gang related problems and mental issues our city is being faced not only on the East side of our city but citywide. Budget for updated training for our police officers. There is alot of training that is free but alot additional money for registration fees and course material. | | CRIME |
| Jeff M | 4 | Work with Police Department to bring back drug enforcement program | | CRIME |
| LW | 8 | Fund for helping utility customers in need | ??? | CUSTOMER SERV |
| BW | 2 | Continue to change angle parking downtown: 200 Blk S Main, 100 Blk N Main, 100 Blk N Commerce, 200 Blk E Market; little time and expense invovled | ?? | DOWNTOWN |
| LW | 2 | Downtown improvements,bathrooms, electric, pedestrian safety, beautification, wifi, lighting | | DOWNTOWN |
| AGS | 9 | Parking around and surrounding the square. Issues with larger vehicles parked in areas that are narrow and that make it hard to see oncoming traffic | | DOWNTOWN |
| LW | 1 | Expanding economic development department, budget, office, staff?, marketing | General fund, LEDC | ECCONOMIC DEV |
| AGS | 3 | Economic Development: Recurit more businesses especailly retail and continue efforts; contact existing and vacant building owners to see if they are willing to work with the City of Lockhart to bring retail businesses and speciality shops, as well as industrial. Purchase buildings and land when on the market for possible new businesses for the city. | | ECCONOMIC DEV |
| JC | 3 | Economic Development | | ECCONOMIC DEV |
| AGS | 5 | Subdivision development to attract more businesses to Lockhart. | | ECCONOMIC DEV |
| JM | 5 | Set up meetings with developers for more retail space shopping centers along US 183 | | ECCONOMIC DEV |

| LOCKHART CITY COUNCIL FY 17-18 GOALS | | | | |
|--------------------------------------|----------|---|---|-----------------|
| Category and Priority Order | | | | |
| COUNCIL MEMBER | PRIORITY | GOALS IDENTIFIED BY COUNCIL FOR FY 17-18 (as submitted by Councilmembers) | SUGGESTED FUNDING SOURCE BY COUNCILMEMBER | CATEGORY |
| AGS | 6 | More Events to Attract Tourism in Lockhart and Include Way Finding Signage (Hotels and Restaurants) | | ECONOMIC DEV |
| AGS | 1 | All Department Heads to Budget Salary Increases for all City Employees. | | EMPLOYEES |
| JM | 1 | City Employee Raises | | EMPLOYEES |
| JM | 2 | House or fund gym membership/space (weight rm) in Senior Center area (cardio machine) for City employees | | EMPLOYEES |
| AGS | 8 | Employee: Possible additional Employee Holiday Time Off-Alternating System. Even though this has been discussed and the reasons for why it cannot be done, I would like to see a time off alternating system, especailly during the holidays. | | EMPLOYEES |
| BW | 1 | ENFORCE ordinances that pertain to unsightly properties all over town | | ENFORCEMENT |
| Jeff M | 1 | Enforce city ordinance regarding residential property | | ENFORCEMENT |
| Jeff M | 3 | Continue to work on City Park improvements | | PARKS |
| JM | 3 | Do inventory of City properties to idenify areas for pocket parks | LEDC funds | PARKS |
| LW | 3 | Park improvements | General fund | PARKS |
| BH | 5 | Parks Improvements | General Fund | PARKS |
| JC | 5 | Parks | | PARKS |
| AGS | 7 | Parks Improvemens: Purchase and update the park equipment to provide safe and fun filled parks for all to use. | | PARKS |
| LW | 7 | Town branch cleanup and beautification | ??? | PARKS |
| JM | 4 | Start process of Funding Sidewalks east of 183 connecting to the US 183 sidewalks | | SIDEWALKS |
| LW | 6 | sidewalk repair and expansion | general fund bond | SIDEWALKS |
| BH | 1 | IMPLEMENT SIGNAGE IN LOCKHART | General Fund (LEDC) and/or Hotel Tax | SIGNAGE |
| LW | 4 | wayfinding, branding | general fund | SIGNAGE |
| LW | 5 | Entry signs | general fund | SIGNAGE |
| Jeff M | 6 | Signage on Highway 183 and SH130 = directing people to Lockhart | | SIGNAGE |
| BW | 4 | Pursue oppportunity to move Senior Citizens' Center to St Paul United Church of Christ Property | | SR CITIZENS CTR |
| JC | 1 | Roads | Grants or impact fees | STREETS/INFRAS |
| AGS | 2 | Infrastructure: Continue City Infrastructure: Drainage, Street Repairs, Completion of Curbing, Brighter Lighting in Neighborhoods | | STREETS/INFRAS |
| BH | 2 | Continue improving City Streets | Increase Transportation Fund | STREETS/INFRAS |
| Jeff M | 5 | Continue to make improvements and redoing our city streets | | STREETS/INFRAS |

Lockhart City Council
FY 16-17 Goals
Revised 3-10-2016, 8:30 pm

| Priority | Council Person | Goals Submitted | City Manager Comments |
|----------|------------------|---|--|
| 1 | Castillo | Infrastructure | Complete 2015 CO projects and need budget of \$250,000 per year for streets, continue water and sewer main replacements; continue electric distribution maintenance plan-get new substation on line. Replace bad water raw water mains and find additional water for the future. |
| 1 | Gonzales-Sanchez | Department Heads to Budget Salary Increases for city employees so that we can keep our current city employees. | Est Cost Per % Increase Annually: Gen Fund (Not Civil Serv) \$ 29,000; Gen Fund Civil Serv \$ 24,000; Other/Utilities: \$ 15,000- Add'l |
| 1 | Hilburn | Improve City Cemetery with GF Expiring debt saving and/or Cemetery Tax | Cemetery Tax up to 5 cents allowed by State Law. Expiring GF debt committed to Police and Fire increased pay rates. (\$132,000) |
| 1 | Mendoza | Find ways to use activity center for multi-purpose use. (basketball, volleyball). Funding source: Different companies in town | If approved by Council staff would approach local businesses |
| 1 | Michelson | Continue to improve infrastructure (drainage, street repairs) throughout the city | Complete 2015 CO and budget \$250,000 per year for street materials |
| 1 | Westmoreland | Enforce ordinances that pertain to unsightly properties all over town. Make homeowners/residents (because some may be renters) take pride in their environment. It is an eyesore to drive around town and see overgrown properties, junked cars, and stacks of trash on porches, in yards and driveways. All levels of socio-economic residents in this town have shown evidence of being disrespectful to their environment. | City has no esthetics ordinance currently. The term "unsightly" is subjective and is difficult to prove in court. |
| 1 | White | Economic Development-expanding budget to get staff qualified to help Sandra with recruitment, working with LEDC to either build Spec building or invest in more property, Main St program to relieve Sandra of a lot of those duties | Main Street Program would require another person and funding to work with local businesses while Economic Development would concentrate on new businesses and new jobs |
| 2 | Castillo | Economic Development | Need 12-15,000 sf of retail spaces with reasonable lease per sf and buildings that are 20 to 50,000 sf for industrial and manufacturing |
| 2 | Gonzales-Sanchez | Infrastructure: Continue City Infrastructure: Drainage, Street Repairs, Completion of Curbing, Brighter Lighting in Neighborhoods | Complete 2015 CO projects and need budget of \$250,000 per year for streets, continue water and sewer main replacements; continue electric distribution maintenance plan-get new substation on line. Replace bad water raw water mains and find additional water for the future. Most streets that lack curbing will need to be totally reconstructed. Brighter LED lights being experimented with since costs have come down. |
| 2 | Hilburn | Implement City Signage | Initial required funds up to \$40,000 if City Crew does the work; total cost could be more than \$70,000 |
| 2 | Mendoza | New Park equipment. Funding Source: Each Councilmember responsible for a park and finding funding sources | Estimate: \$ 400,000 annually over next 4 years based on input from Parks Board Advisory Board |
| 2 | Michelson | Continue to improve ways to attract businesses to Lockhart | Need more 12-15,000 sf of retail spaces with reasonable lease per sf and buildings that are 20 to 50,000 sf for industrial and manufacturing |
| 2 | Westmoreland | Create a policy for the residency of future administrative positions to live within the Lockhart city limits. If an administrator wants to be employed by the City of Lockhart, they need to reside here. Sharing in the daily lives of our citizens seems crucial to making decisions about Lockhart. They are paid by city taxes. | It is not legal to require all department heads to live in the City limits; only the City Manager is required to do so. All non-24 emergency response employees must live within 25 minutes of City Limits |
| 2 | White | Continue street rehab | Need \$ 250,000 annually minimum for street work materials |
| 3 | Castillo | City Facilities | Not sure what this includes; can assess all departments for physical needs |
| 3 | Gonzales-Sanchez | Economic Development: Recruit more businesses especially retail and continue efforts ; contact existing and vacant bldg owners to see if they are willing to work with City to bring these small retail businesses, as well as industrial; possibly purchasing two downtown county buildings when on the market for possible new businesses in the downtown area. Stronger platform with LEDC with methods to sell Lockhart and attract businesses. | LEDC could fund another report but the company says our numbers still should be good. Costs estimated \$22,500 for updating data and recruitment. Prime softgood companies constantly want to be on Highway 183 in 12-15,000 sf and at a reasonable cost per sf plus higher traffic counts. |

Lockhart City Council
FY 16-17 Goals
Revised 3-10-2016, 8:30 pm

| Priority | Council Person | Goals Submitted | City Manager Comments |
|----------|------------------|---|--|
| 3 | Hilburn | Continue improving city streets: Increase Transportation Fund | Current transportation monthly rate is \$ 4 for residential and others; \$260,000 annual which helps fund labor and equipment, but is not sufficient for materials. Another \$250,000 for materials is needed annually. |
| 3 | Mendoza | Wi-Fi Free Zones Downtown Square. Funding source City Budget, School District, Downtown sponsors | Rough estimate is about \$12,000 |
| 3 | Michelson | Refurbish City Hall | If atrium removed, add more offices estimated at \$45,000 and more outside landscaping estimated at \$ 5,000; elevator going in with improvements to restrooms and offices |
| 3 | Westmoreland | Approach interested and future businesses cordially. Stringent ordinances (and the way they are approached), scare off some businesses. Let's be friendly in a positive way. | City Mgr respectfully requests names of such businesses. He has met with 18 business representatives over past 15 months that were looking at Lockhart but did not come. Except for the non-residential exterior building esthetics ordinance, none of them indicated a problem with the current ordinances or with staff. The main problems were high land prices and the lack of "ready built retail and industrial buildings", and traffic counts were not high enough. Most thought the impact fee schedules were very reasonable compared to other cities. Will continue to work toward friendlier customer service with simplified ordinances. |
| 3 | White | Park master plan to consider park bond issue, recreation dept and staff issues | Master Plan estimate: \$ 45,000, recreation dept est at least \$ 60,000 for a recreational professional with another \$30,000 for equipment and materials |
| 4 | Castillo | Employees Wages | Est Cost Per % Increase Annually: Gen Fund (Not Civil Serv) \$ 29,000; Gen Fund Civil Serv \$ 24,000; Other/Utilities: \$ 15,000- Add'l Cost FY 16-17 due to Civil Serv Pay Plan Expansions already approved: \$ 132,000 |
| 4 | Gonzales-Sanchez | Police Task Force: Budget extra funds to bring back a much needed Police Task Force to address any drug and gang related problems this city is being faced with especially on the East side of our city. Possibly ask the County to assist with funding. | Initial required funds up to \$40,000 if City Crew does the work; total cost could be more than \$70,000 |
| 4 | Hilburn | Continue working on bringing industry to Lockhart: Continue supporting Ms. Mauldin | LEDC is will have sufficient funding to be more aggressive starting FY 16-17 |
| 4 | Mendoza | Training Start up: Neighborhood Watch Training and Program: Police Budget | Have tried Neighborhood Watch Program in past but was not sustained because of lack of participation. Willing to try again. |
| 4 | Michelson | Improve signage on HWY 183 as well as SH130 = directing people to Lockhart | Possibly use of some of the KTB grant money |
| 4 | Westmoreland | Evaluate and/or change the degree of the angled parking along the 4 blocks off of the square. This would be: Main Street from Market to Prairie Lea Street; Main Street from San Antonio Street to Walnut Street; Commerce Street from Market Street to Prairie Lea Street, and Commerce Street from San Antonio Street to Walnut Street. These parking spaces were made before long vehicles were made! If there are cars parked on both sides of the streets, only one car can pass through at a time. Then it becomes a one lane street. I have witnessed a different angled parking arrangement, and it provides more room and is much safer for the drivers and pedestrians. | Estimate to black out existing thermoplastic markings, redefine layout, and apply new thermoplastic markings with angle parking = \$ 12,000; will probably lose 4 spaces per block. 2 on each side |
| 4 | White | Branding and wayfinding—may be included in #1 | Initial required funds up to \$40,000 if City Crew does the work; total cost could be more than \$70,000 |
| 5 | Castillo | Parks | Estimate: \$ 400,000 annually over next 4 years based on input from Parks Board Advisory Board |
| 5 | Gonzales-Sanchez | Subdivision development to attract more businesses to Lockhart | Working with 6 more subdivisions, either new or expanding, and possibly one more very large one northwest. |
| 5 | Hilburn | Improve tourism in Lockhart - City Council continue to work with and encourage Chambers of Commerce to be more involved | Council can make this directive to Chambers when dividing out HOT funds |
| 5 | Mendoza | Finding more funding for Retail Market Study. Zip code demographics with reports. Funding LEDC | LEDC could fund another report but the company says our numbers still should be good. Costs estimated \$22,500 for updating data and recruitment. |

Lockhart City Council
FY 16-17 Goals
Revised 3-10-2016, 8:30 pm

| Priority | Council Person | Goals Submitted | City Manager Comments |
|----------|------------------|--|--|
| 5 | Michelson | Work with LEDC or someone equivalent to build a building to help attract business | Need more 12-15,000 sf of retail spaces with reasonable lease per sf. Most softgood retailers want 12-15,000 on Hwy 183 at a reasonable price and increased traffic volumes |
| 5 | White | Sidewalks to include lighting | Funding required; for example San Jacinto to Jr High estimate is \$130,000 just for materials along Maple walkway |
| 6 | Gonzales-Sanchez | More Events to Attract Tourism in Lockhart and Include Way Finding Signage (Hotels and Restaurants) | Initial required funds up to \$40,000 if City Crew does the work; total cost could be more than \$70,000. Chambers could use HOT for more tourism. |
| 6 | Michelson | Continue to work on City Park improvements | Estimate: \$ 400,000 annually over next 4 years based on input from Parks Board Advisory Board |
| 6 | White | Pursue possible ESD-EMS district | Legal issue with participation by County and City of Luling preferable |
| 7 | Gonzales-Sanchez | Parks Improvemens: Purchase more park equipment to provide safe and fun filled parks for all to use. | Estimate: \$ 400,000 annually over next 4 years based on input from Parks Board Advisory Board |
| 7 | Mendoza | Start Talks With YMCA Austin again. Seek sponsors funding if necessary | Our population hurt in previous discussions, Will pursue again. They usually want commitment for a minimum number of individuals and families depending on population of not only City but its metro area |
| 7 | Michelson | Work on building a civic center/ recreation center | \$ 9 million plus land \$ 2.5 million for about 20,000 sf plus about \$240,000 annual maintenance costs and minimum of \$60,000 for utilities; estimated revenues offset is about \$60,000; take out recreation center and cost go down about 20%. It has been reported that Bastrop is spending over \$500,000 per year to operate its civic center. Revenues not covering costs. |
| 7 | White | Cemetery maintenance | Cemetery Tax up to 5 cents allowed by State Law |
| 8 | Gonzales-Sanchez | City Hall: Refurbish with Improvements and/or Upgrades | Elevator and improvements to restrooms planned; better offices for Connie and Sandra planned also. |
| 9 | Gonzales-Sanchez | Convention Center | \$ 9 million plus land \$ 2.5 million for about 20,000 sf plus about \$240,000 annual maintenance costs and minimum of \$60,000 for utilities; estimated revenues offset is about \$60,000; take out recreation center and cost go down about 20%. It has been reported that Bastrop is spending over \$500,000 per year to operate its civic center. Revenues not covering costs. |
| 10 | Gonzales-Sanchez | Employee: Possible additional Employee Holiday Time off-Alternating system | City employees now have 12 holidays and 1 personal holiday; time off is granted by seniority with department head responsible for keeping sufficient personnel to serve the public needs. Employees also receive at least 2 weeks of vacation time. Those employees required to work on holidays receive their normal pay plus holiday pay. |
| | | | |
| | | | |

City of Lockhart
Future Debt Payments as of 9/30/18

| Description | | Paid Debt | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | TOTAL DEBT |
|--|---------|-----------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------|
| General Government | | | | | | | | | | | | | | | | | | | | | |
| Hotel Tax Fund | | | | | | | | | | | | | | | | | | | | | |
| 2016 GO Refunding | | | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | | | | | | | | 400,000 |
| Total Hotel Tax Fund P & I | | | - | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | - | - | - | - | - | - | - | 400,000 |
| LEDC | | | | | | | | | | | | | | | | | | | | | |
| 2015 Tax & Revenue | 100.00% | | 48,093 | 48,044 | 48,103 | 48,152 | 63,645 | 63,670 | 63,513 | 63,543 | 63,555 | 63,643 | 63,687 | 65,647 | 65,544 | 65,575 | 65,482 | 65,579 | 65,538 | 65,676 | 1,048,596 |
| Total LEDC Fund P & I | | | 48,093 | 48,044 | 48,103 | 48,152 | 63,645 | 63,670 | 63,513 | 63,543 | 63,555 | 63,643 | 63,687 | 65,647 | 65,544 | 65,575 | 65,482 | 65,579 | 65,538 | 65,676 | 1,048,596 |
| 2015 Capital Projects Fund | | | | | | | | | | | | | | | | | | | | | |
| 2015 Tax & Revenue | | | | | | | | | | | | | | | | | | | | | - |
| Total 2015 Capital Projects Fund Fund P & I | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Drainage | | | | | | | | | | | | | | | | | | | | | |
| 2015 Tax & Revenue | | | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 1,700,000 |
| Total Drainage Fund P & I | | | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 1,700,000 |
| General Fund | | | | | | | | | | | | | | | | | | | | | |
| 2015 Tax & Revenue | | | | | | | | | | | | | | | | | | | | | - |
| Total General Fund P & I | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Debt Service Fund | | | | | | | | | | | | | | | | | | | | | |
| 2006 Tax & Rev CO's | 100.00% | | 47,175 | 50,535 | 48,690 | 46,845 | | | | | | | | | | | | | | | 146,070 |
| 2006-A Tax & Rev CO's | 93.00% | | 267,890 | 267,803 | 267,332 | 271,128 | | | | | | | | | | | | | | | 806,264 |
| 2015 Tax & Revenue | TRNSF | | 186,594 | 186,302 | 186,653 | 186,945 | 279,275 | 279,421 | 278,487 | 278,662 | 278,735 | 279,261 | 279,523 | 291,203 | 290,590 | 290,773 | 290,222 | 290,798 | 290,554 | 291,374 | 4,548,778 |
| 2015 Tax & Revenue | 12.00% | | 117,779 | 117,659 | 117,803 | 117,923 | 155,867 | 155,927 | 155,543 | 155,615 | 155,645 | 155,861 | 155,969 | 160,769 | 160,517 | 160,592 | 160,365 | 160,602 | 160,502 | 160,831 | 2,567,990 |
| 2016 GO Refunding | 74.84% | | 171,056 | 346,930 | 361,150 | 353,161 | 656,899 | 666,927 | 661,698 | 666,974 | 673,111 | 670,566 | 678,350 | - | - | - | - | - | - | - | 5,735,766 |
| Total Debt Service Fund P & I | | | 790,494 | 969,229 | 981,628 | 976,002 | 1,092,041 | 1,102,275 | 1,095,728 | 1,101,251 | 1,107,491 | 1,105,688 | 1,113,842 | 451,972 | 451,107 | 451,365 | 450,587 | 451,400 | 451,056 | 452,205 | 13,804,868 |
| Total General Government | | | 938,587 | 1,157,273 | 1,169,731 | 1,164,154 | 1,295,686 | 1,305,945 | 1,299,241 | 1,304,794 | 1,311,046 | 1,309,331 | 1,317,529 | 617,619 | 616,651 | 616,940 | 616,069 | 616,979 | 616,594 | 617,881 | 16,953,464 |

Future Debt Payments as of 9/30/18

| Description | Paid Debt | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | TOTAL DEBT |
|---|-----------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Proprietary | | | | | | | | | | | | | | | | | | | | |
| Electric Fund | | | | | | | | | | | | | | | | | | | | |
| 2013 SIB Loan | 30.81% | 71,151 | 71,152 | 71,151 | 71,151 | 71,151 | 71,151 | 71,151 | 71,152 | 71,151 | 71,151 | 71,151 | 71,151 | 71,151 | 71,151 | 71,151 | 71,152 | | | 1,067,268 |
| Total Electric Fund P & I | - | 71,151 | 71,152 | 71,151 | 71,151 | 71,151 | 71,151 | 71,151 | 71,152 | 71,151 | 71,151 | 71,151 | 71,151 | 71,151 | 71,151 | 71,151 | 71,152 | - | - | 1,067,268 |
| Water Fund | | | | | | | | | | | | | | | | | | | | |
| 2006A Tax & Rev CO's | 7.00% | 20,164 | 20,157 | 20,122 | 20,408 | | | | | | | | | | | | | | | 60,687 |
| 2015 Tax & Revenue | 49.60% | 486,818 | 486,322 | 486,917 | 487,413 | 644,248 | 644,496 | 642,909 | 643,207 | 643,331 | 644,223 | 644,670 | 664,510 | 663,468 | 663,778 | 662,842 | 663,822 | 663,406 | 664,800 | 10,614,362 |
| 2016 GO Refunding | 21.81% | 49,849 | 101,103 | 105,247 | 102,919 | 191,435 | 194,357 | 192,833 | 194,371 | 196,159 | 195,418 | 197,686 | - | - | - | - | - | - | - | 1,671,528 |
| 2013 SIB Loan | 35.80% | 82,676 | 82,676 | 82,676 | 82,676 | 82,676 | 82,676 | 82,676 | 82,676 | 82,676 | 82,676 | 82,676 | 82,676 | 82,676 | 82,676 | 82,676 | 82,676 | | | 1,240,140 |
| Total Water Fund P & I | - | 639,507 | 690,258 | 694,962 | 693,416 | 918,359 | 921,529 | 918,418 | 920,254 | 922,166 | 922,317 | 925,032 | 747,186 | 746,144 | 746,454 | 745,518 | 746,498 | 663,406 | 664,800 | 13,586,717 |
| Sewer Fund | | | | | | | | | | | | | | | | | | | | |
| 2015 Tax & Revenue | 4.30% | 42,204 | 42,161 | 42,213 | 42,256 | 55,852 | 55,874 | 55,736 | 55,752 | 55,773 | 55,850 | 55,889 | 57,609 | 57,518 | 57,545 | 57,464 | 57,549 | 57,513 | 57,643 | 920,197 |
| 2016 GO Refunding | 3.35% | 7,657 | 15,529 | 16,166 | 15,808 | 29,404 | 29,853 | 29,619 | 29,855 | 30,130 | 30,016 | 30,364 | - | - | - | - | - | - | - | 256,744 |
| 2013 SIB Loan | 33.39% | 77,102 | 77,103 | 77,102 | 77,102 | 77,103 | 77,102 | 77,102 | 77,103 | 77,102 | 77,102 | 77,103 | 77,102 | 77,102 | 77,103 | 77,102 | 77,102 | | | 1,156,537 |
| Total Sewer Fund P & I | | 126,963 | 134,793 | 135,481 | 135,166 | 162,359 | 162,829 | 162,457 | 162,710 | 163,005 | 162,968 | 163,356 | 134,711 | 134,620 | 134,648 | 134,566 | 134,651 | 57,513 | 57,643 | 2,333,478 |
| Total Proprietary Fund P & I | - | 837,621 | 896,203 | 901,594 | 899,733 | 1,151,869 | 1,155,510 | 1,152,026 | 1,154,116 | 1,156,323 | 1,156,436 | 1,159,539 | 953,049 | 951,915 | 952,253 | 951,236 | 952,301 | 720,919 | 722,443 | 16,987,463 |
| Grand Total | | 1,776,208 | 2,053,476 | 2,071,326 | 2,063,887 | 2,447,555 | 2,461,455 | 2,451,267 | 2,458,910 | 2,467,369 | 2,465,767 | 2,477,068 | 1,570,668 | 1,568,566 | 1,569,193 | 1,567,305 | 1,569,280 | 1,337,513 | 1,340,324 | 33,940,927 |

City of Lockhart
2015 BOND PROGRAM

| Cost | Notes | Task Name | Duration | Start | Finish | 2015 | | | | | | | | | | | | 2016 | | | | | | | | | | | | 2017 | | | | | | | | | | | |
|-----------------|-------|---|----------|--------------|--------------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | | | | | | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan |
| \$14,124,890.00 | | TOTAL PROJECT COST | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$2,068,024.00 | 1 | DRAINAGE IMPROVEMENTS CONTRACT 1 - Mesquite/Wichita Street & Richland Drive | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Surveying Proposal | 17 days | Fri 3/6/15 | Sun 3/22/15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Survey | 30 days | Mon 3/23/15 | Tue 4/21/15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Acquisition | 120 days | Wed 4/22/15 | Wed 8/19/15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Engineering Design | 90 days | Wed 4/22/15 | Mon 7/20/15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Bid Ad/NTP | 60 days | Tue 7/21/15 | Fri 9/18/15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Construction | 180 days | Sat 9/19/15 | Wed 3/16/16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$1,999,200.00 | 2 | DRAINAGE IMPROVEMENTS CONTRACT 2 - Century Oaks/Market Street, & Ash/Comal Streets | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Surveying Proposal | 17 days | Fri 3/6/15 | Sun 3/22/15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Survey | 30 days | Sat 4/25/15 | Sun 5/24/15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Acquisition | 150 days | Mon 5/25/15 | Wed 10/21/15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Engineering Design | 120 days | Mon 5/25/15 | Mon 9/21/15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Bid Ad/NTP | 60 days | Tue 9/22/15 | Fri 11/20/15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Construction | 180 days | Sat 11/21/15 | Wed 5/18/16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$3,394,038.00 | 3 | DRAINAGE IMPROVEMENTS CONTRACT 3 - Downtown Improvements Project | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Surveying Proposal | 15 days | Sun 8/2/15 | Sun 8/16/15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Survey | 45 days | Mon 8/17/15 | Wed 9/30/15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Engineering Design | 180 days | Thu 10/1/15 | Mon 3/28/16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Bid Ad/NTP | 60 days | Tue 3/29/16 | Fri 5/27/16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Construction | 365 days | Sat 5/28/16 | Sat 5/27/17 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$323,400.00 | 4 | DRAINAGE IMPROVEMENTS CONTRACT 4 - Medina & US183 Project | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Surveying Proposal | 15 days | Sun 11/1/15 | Sun 11/15/15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Survey | 7 days | Mon 11/16/15 | Sun 11/22/15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Acquisition | 90 days | Mon 11/23/15 | Sat 2/20/16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Engineering Design | 60 days | Mon 11/23/15 | Thu 1/21/16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Bid Ad/NTP | 60 days | Fri 1/22/16 | Mon 3/21/16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Construction | 90 days | Tue 3/22/16 | Sun 6/19/16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$1,764,000.00 | 5 | FM 2001 ELEVATED TANK PROJECT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Surveying Proposal | 15 days | Sat 1/2/16 | Sat 1/16/16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Survey | 15 days | Sun 1/17/16 | Sun 1/31/16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Acquisition | 120 days | Mon 2/1/16 | Mon 5/30/16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Engineering Design | 90 days | Mon 2/1/16 | Sat 4/30/16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Bid Ad/NTP | 60 days | Sun 5/1/16 | Wed 6/29/16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

