

**LOCKHART CITY COUNCIL
REGULAR MEETING**

FEBRUARY 23, 2021

6:30 P.M.

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

Council present:

Mayor Lew White

Councilmember Juan Mendoza

Councilmember Jeffry Michelson

Councilmember Derrick David Bryant

Councilmember Kara McGregor

Councilmember Brad Westmoreland

Council absent:

Mayor Pro-Tem Angie Gonzales-Sanchez

Staff present:

Steven Lewis, City Manager

Monte Akers, City Attorney

Sean Kelley, Public Works Director

Victoria Maranan, Public Information Officer

Randy Jenkins, Fire Chief

Connie Constancio, City Secretary

Dan Gibson, City Planner

Pam Larison, Finance Director

Ernest Pedraza, Police Chief

Jesse Bell, Police Captain

Citizens/Visitors Addressing the Council:

Citizens: Tristan Flores and Suzy Falgout.

Virtual attendance: Amanda Haskins of McElroy Metal Mill.

Work Session 6:30 p.m.

Mayor White announced that Mayor Pro-Tem Angie Gonzales-Sanchez would not be able to attend the meeting. He opened the work session and advised the Council, staff and the audience that staff would provide information and explanations about the following items:

DISCUSSION ONLY

A. DISCUSS CHAPTER 380 AGREEMENT WITH MCELROY METAL MILL, INC. TO PROVIDE INCENTIVES FOR ECONOMIC DEVELOPMENT.

Mr. Kamerlander stated that Lockhart EDC has been working with McElroy Metal since March 2020 to locate a new manufacturing plant. McElroy Metal is an industry leading manufacturer of metal roofing, metal siding, and sub structural components founded in 1963. Its products are specified and installed on projects ranging from single family homes to multi-million dollar commercial projects. McElroy Metal is planning to build a 30,000 SF facility initially with plans to expand over time on 10-acres in Lockhart EDC's new 75-acre industrial park off SH 130. The initial investment is \$3,250,000 with 11 full-time jobs over the first 3 years. The Chapter 380 agreement provides a property tax rebate over 5 years to McElroy Metal as long as contract obligations are met over that time. The rebate schedule is: Year 1: 75% rebate; Year 2: 50%; Year 3: 40%; Year 4: 30%; and Year 5: 25%. Estimated total incentive is \$59,645. The net benefit to the City of Lockhart is estimated at \$253,540 over 10 years. Like all 380 agreements in Lockhart, McElroy Metal will pay its annual taxes in full and then report annually on its contract obligations to obtain the rebate due. If the contract obligations are not met, no rebate will be issued. A Chapter 381 with Caldwell County is also being pursued. Mr. Kamerlander recommended approval. There was discussion.

Amanda Haskins, CFO of McElroy Metal Mill, provided information about the Project and stated that Lockhart was the best place for their new facility. She thanked staff and the Council for their support.

B. DISCUSS MINUTES OF THE CITY COUNCIL MEETING OF FEBRUARY 2, 2021.

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

C. DISCUSS 2021 CHISHOLM TRAIL ROUNDUP AND MUSIC FESTIVAL FINANCIAL CONTRIBUTION AGREEMENT.

Mr. Lewis stated that the second week in June, Lockhart celebrates the annual Chisholm Trail Roundup Festival. Due to challenges of the COVID-19 pandemic, the event was not held in 2020. On January 14, 2021, the Lockhart Chamber of Commerce Board of Directors voted to proceed with the 2021 Chisholm Trail Roundup Festival. As a result, the City of Lockhart received a formal request from the Lockhart Chamber of Commerce that funds formerly allocated to the previously planned Kart Races be reallocated to the Lockhart Chamber to partially fund the 2021 Chisholm Trail Roundup Festival. During the January 19, 2021 Council meeting, representatives from the Lockhart Chamber of Commerce provided a presentation to the Council regarding the funding request and answered questions regarding the possibilities of hosting the event in the current COVID-19 environment. The Council expressed a desire to reallocate the funds as requested and directed staff to return with a written proposal for consideration. Section 3 of the Agreement sets forth special conditions relative to funding. There was discussion.

D. DISCUSS AGREEMENT WITH JACK PEARCE, LLC FOR THE LEASING OF PROPERTIES LOCATED AT EAST MARKET STREET AND SOUTH COMMERCE STREET AND APPROVING THE MAYOR TO SIGN IF ASSIGNMENT OF LEASE IS APPROVED; AND AUTHORIZING THE PUBLIC WORKS DIRECTOR TO PURSUE LAND IMPROVEMENTS TO THE PROPERTIES IF APPROVED.

Mr. Kelley stated that Lockhart's historic and striking Courthouse serves as a central focus for the city. By making the environment surrounding it more pedestrian friendly, residents and visitors alike will be able to enjoy downtown. This is especially relevant now that the improvements will assist with the overflow of customers for downtown businesses while abiding by the Governor's pandemic occupancy restrictions. The creation of an outdoor space with seating will offer another option to business patrons to accommodate customer overflow in a safe setting. After discussion with staff, Jim and Amelia Smith agreed to pursue a one-year lease with the city for the vacant properties located on the southside of the downtown square for the purpose of creating a temporary park. The Smiths plan to develop the property in the future, however they graciously agreed to work with the city to utilize the space in the meantime as a benefit the community.

The proposed terms of the lease include:

- Smoking and outside alcohol on the property is prohibited.
- The City is responsible for all construction and maintenance on the property.
- All utility payments will be the responsibility of the City.
- The City provides \$1,000,000 in liability insurance.
- The property is to be returned to its original or better condition at the expiration of the lease.
- The City assumes responsibility to pay any additional ad valorem taxes, if any occur as a result of the lessee's improvements.
- Term of lease is one-year with automatic one-year renewals until the Agreement is terminated.

Improvements to the property include grading, seeding, seating, lighting and public restrooms.

There was discussion.

E. DISCUSS ORDINANCE 2021-04 AMENDING THE BUDGET FOR THE GENERAL FUND IN FISCAL YEAR 2020-2021 AS OUTLINED IN BUDGET AMENDMENT 52.

Ms. Larison stated that if Council approved the lease agreement with Jack Pearce, LLC for the downtown property, the budget amendment will also require Council's consideration in order to use the funds generated from the sale of the property at 728 South Main Street. She provided details about the budget amendment. There was discussion.

F. DISCUSS ALLOCATION OF FUNDS FROM THE HOTEL OCCUPANCY TAX (HOT) FUND FOR FISCAL YEAR 2020-2021 AS RECOMMENDED BY THE HOT ADVISORY BOARD.

Ms. Larison stated that on February 4, 2021, the HOT Advisory Board convened to discuss applications for hotel occupancy funding for Fiscal Year 2020-2021. The Board received the following nine applications for review: Lockhart Chamber of Commerce Visitors Center, Lockhart Chamber of Commerce for the Texas Mural Project, Lockhart Chamber of Commerce for the Chisholm Trail Roundup, Lockhart Chamber of Commerce for the Chisholm Trail Rodeo, Greater Caldwell County Hispanic Chamber of Commerce for Cinco de Mayo and Diez y Seis, the Gaslight-Baker Theater, Lockhart Downtown Business Association for the Texas Swing Festival, Caldwell County Historic Jail Museum, and the Southwest Museum of Clocks & Watches. The HOT Advisory Board voted unanimously to allocate funds totaling \$88,000 as follows: Lockhart Chamber of Commerce Visitor's Center - \$25,000; Lockhart Chamber of Commerce Chisholm Trail Roundup - \$25,000; Hispanic Chamber of Commerce Cinco de Mayo/Diez y Seis - \$12,000; Gaslight-Baker Theatre - \$12,000; Lockhart Downtown Association, Texas Swing - \$7,500; Caldwell County Jail Museum - \$4,000; and Southwest Museum of Clocks & Watches - \$2,500. The Board did not recommend allocating funds for the Lockhart Chamber of Commerce Texas Mural Project or the Lockhart Chamber of Commerce Chisholm Trail Rodeo. If allocations are approved, an Agreement will be provided to each entity that is allocated HOT funds. Ms. Larison recommended approval. There was discussion.

G. DISCUSS THE 2020 RACIAL PROFILING REPORT OF THE LOCKHART POLICE DEPARTMENT.

Chief Pedraza and Capitan Jesse Bell provided details of the Racial Profiling Report that is submitted to the Texas Commission on Law Enforcement annually.

H. DISCUSSION REGARDING ISSUING AND CONFIRMING A DECLARATION OF LOCAL DISASTER FOR WINTER WEATHER EMERGENCY.

Mr. Lewis stated that as a result of the winter weather emergency, the Federal Emergency Management Agency (FEMA) has developed a program to provide public assistance to entities. The Declaration is a formal way to begin the application process for City of Lockhart. He stated that Ms. Larison would provide details about the impact of increases in electric, water and solid waste costs as result of the winter weather storm during the regular meeting.

I. DISCUSS MAYOR'S DECLARATION OF LOCAL DISASTER REGARDING REQUIRING FACE COVERINGS, AND ADDRESSING OTHER MATTERS RELATED TO COVID-19, IF NECESSARY.

Chief Jenkins provided details about the inspection results conducted of local businesses' compliance with COVID-19 protocols. There was discussion regarding fines being assessed for non-compliance in the future. Mr. Akers recommended that if the Council chose to pursue issuing fines or warnings for non-compliance, it would be through an ordinance.

RECESS: Mayor White announced that the Council would recess for a break at 7:35 p.m.

REGULAR MEETING**ITEM 1. CALL TO ORDER.**

Mayor Lew White called the meeting to order at 7:50 p.m.

ITEM 2. INVOCATION, PLEDGE OF ALLEGIANCE.

Councilmember Bryant 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.

Tristan Flores, 1012 Alex Street, expressed concern about his dog being picked up by the Lockhart Animal Shelter and about how the situation was handled. The animal was shortly thereafter adopted by another family. He requested assistance with his dog being returned to their family. He also requested that the regulations at the shelter be reviewed with staff to ensure staff's compliance of City Ordinances.

ITEM 4-A. HOLD A PUBLIC HEARING TO DISCUSS AMENDING CHAPTER 64 "ZONING" OF THE LOCKHART CODE OF ORDINANCES, ARTICLE I "IN GENERAL", SECTION 64-2 "DEFINITIONS"; AND ARTICLE VII "ZONING DISTRICTS AND STANDARDS", SECTION 64-196 "ESTABLISHMENT OF ZONING DISTRICTS"; TO DEFINE AND REGULATE ACCESSORY DWELLING UNITS.

Mayor White opened the public hearing at 7:55 p.m.

Mr. Gibson stated that over the past few years, the city received many e-mails and phone calls from citizens inquiring about whether or not the City allows accessory dwelling units, also known as ADU's. Garage apartments are a form of ADU, and they are sometimes also called by other names such as granny flats (such as when occupied by elderly parents living on the same property as the family of an adult child). Some older houses in Lockhart have had garage apartments for years, since before the City had zoning. Many cities now allow accessory dwelling units, and with appropriate standards, they can be an asset to the community. Due to the high level of interest, staff has drafted an ordinance adding definitions of two classes of accessory dwelling units, and designating the residential zoning district where each class would be allowed by-right or as a specific use. The definitions are self-explanatory in terms of describing what an accessory dwelling unit is. Four citizens spoke at the Planning and Zoning Commission meeting, and their concerns were addressed. Mr. Gibson stated that the Planning and Zoning Commission and staff recommend approval. There was discussion.

Mayor White requested citizens to address the Council in favor of or against the proposed amendments to Chapter 64. There were none. He closed the public hearing at 8:10 p.m.

ITEM 4-B. DISCUSSION AND/OR ACTION TO CONSIDER ORDINANCE 2021-03 AMENDING CHAPTER 64 "ZONING" OF THE CODE OF ORDINANCES, ARTICLE I "IN GENERAL", SECTION 64-2 "DEFINITIONS"; AND ARTICLE VII "ZONING DISTRICTS AND STANDARDS", SECTION 64-196 "ESTABLISHMENT OF ZONING DISTRICTS"; TO DEFINE AND REGULATE ACCESSORY DWELLING UNITS; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALER; PROVIDING FOR PENALTY; PROVIDING FOR PUBLICATION; AND ESTABLISHING AN EFFECTIVE DATE.

Councilmember McGregor made a motion to approve Ordinance 2021-03, as presented. Councilmember Michelson seconded. The motion passed by a vote of 6-0.

ITEM 5. CONSENT AGENDA

Councilmember Michelson made a motion to approve consent agenda items 5A, 5B, 5C and 5D. Councilmember Westmoreland seconded. The motion passed by a vote of 6-0.

The following are the consent agenda items that were approved:

- 5A: Approve minutes of the City Council meeting of February 2, 2021.
- 5B: Approve 2021 Chisholm Trail Roundup and Music Festival Financial Contribution Agreement.
- 5C: Approve agreement with Jack Pearce, LLC for the leasing of properties located at East Market Street and South Commerce Street and approving the Mayor to sign if Assignment of Lease is approved; and authorizing the Public Works Director to pursue land improvements to the properties if approved.
- 5D: Approve Ordinance 2021-04 amending the budget for the General Fund in Fiscal Year 2020-2021 as outlined in Budget Amendment 52.

ITEM 6-A. DISCUSSION AND/OR ACTION TO CONSIDER CHAPTER 380 AGREEMENT WITH MCELROY METAL MILL, INC. TO PROVIDE INCENTIVES FOR ECONOMIC DEVELOPMENT.

Councilmember McGregor made a motion to approve the Chapter 380 Agreement with McElroy Metal Mill, Inc., as presented, to provide incentives for Economic Development. Councilmember Bryant seconded. The motion passed by a vote of 6-0.

ITEM 6-B. DISCUSSION AND/OR ACTION TO CONSIDER ALLOCATION OF FUNDS FROM THE HOTEL OCCUPANCY TAX (HOT) FUND FOR FISCAL YEAR 2020-2021 AS RECOMMENDED BY THE HOT ADVISORY BOARD.

Councilmember Westmoreland made a motion to accept the allocation of funds from the Hotel Occupancy Tax fund as recommended by the Hotel Occupancy Tax Advisory Board. Councilmember Bryant seconded. The motion passed by a vote of 6-0.

ITEM 6-C. DISCUSSION AND/OR ACTION TO CONSIDER THE 2020 RACIAL PROFILING REPORT OF THE LOCKHART POLICE DEPARTMENT.

Councilmember McGregor made a motion to accept the 2020 Racial Profiling Report of the Lockhart Police Department. Councilmember Michelson seconded. The motion passed by a vote of 6-0.

ITEM 6-D. DISCUSSION AND/OR ACTION TO CONSIDER THE MAYOR'S DECLARATION OF LOCAL DISASTER REGARDING REQUIRING FACE COVERINGS, AND ADDRESSING OTHER MATTERS RELATED TO COVID-19, IF NECESSARY.

Mayor White stated that the Declaration about businesses posting the Notice to require facial coverings will remain in effect.

ITEM 6-E. CONSIDER AND TAKE ACTION TO ISSUE AND CONFIRM A DECLARATION OF LOCAL DISASTER FOR WINTER WEATHER EMERGENCY.

There was discussion regarding high consumption of electric, water and sewer in February 2021 and about how the city can assist with reducing the estimated higher utility bills as a result of the winter storm. There was also discussion regarding temporarily waiving plumbing permit fees to assist citizens with costs associated with repairing busted pipes as a result of the winter storm.

ELECTRIC RATES

There was discussion regarding the upcoming proposed increase of the purchase power electric rate from the Lower Colorado River Authority that is projected to double as a result of the power issues that occurred during the winter weather storm. She explained that the rate mitigation fund is a fund that electric customers contribute monthly that could be used to offset paying the additional purchase power cost. Staff suggested that the Council consider authorizing applying up to \$500,000 out of the rate mitigation fund to the upcoming purchase power electric bill. If the bill is higher than \$500,000, it was suggested that the remaining balance thereafter be distributed evenly amongst the customers. There was discussion.

CONSENSUS: After discussion, the consensus of the Council was to direct staff to return with an Ordinance at the next Council meeting that provides that the City's wholesale power suppliers may be paid from the City's Rate Mitigation Fund in order to offset such costs up to a maximum of \$500,000.

WATER RATES

Ms. Larison stated that the city does not have a water mitigation fund to cover increased water fees as a result of busted water pipes during the winter storm. However, the city does have a water leak policy that allows one water leak per rolling year. The policy provides that the busted water pipes would be considered a leak that allows the water rate for the customer to be averaged for the rolling year and making an adjustment to the account. The Council could set a specific timeframe to allow the leak policy to be effective. There was discussion.

CONSENSUS: After discussion, the consensus of the Council was to direct staff to return with an Ordinance that outlines the water rates to be charged during the month of February 2021 as a result of the declared disaster.

SOLID WASTE RATES

Ms. Larison stated that the sewer averaging is conducted each year during the months of December, January, and February. There was discussion regarding how to calculate the 2021 annual sewer average rate after the high water usage during the winter storm.

CONSENSUS: After discussion, the consensus of the Council was to direct staff to return with an Ordinance providing that the 2021 sewer average will not occur and that the 2021 sewer average rate be the same as in 2020.

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

Mayor White requested appointments to boards and committees.

Councilmember McGregor made a motion to re-appoint Anne Clark to the Zoning Board of Adjustment. Councilmember Mendoza seconded. The motion passed by a vote of 6-0.

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

- Library Updates:
 - Contactless Tax Aide appointments have been filled.
 - Library planning a virtual Fiesta De Mariachi event on April 24, 2021.
 - Parent as Teachers (PAT) will sponsor story walk during month of April.
- Update regarding audio/video equipment upgrade in Council Chambers.

ITEM 6-E. CONSIDER AND TAKE ACTION TO ISSUE AND CONFIRM A DECLARATION OF LOCAL DISASTER FOR WINTER WEATHER EMERGENCY.

Councilmember Michelson made a motion to confirm the Declaration of Local Disaster for Winter Weather Emergency, as presented. Councilmember Mendoza seconded. The motion passed by a vote of 6-0.

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

Councilmember Westmoreland thanked everyone for their dedication in keeping the community safe during the winter storm.

Councilmember Mendoza also thanked everyone for their dedication in keeping the community safe during the winter storm.

Councilmember McGregor thanked everyone for their dedication in keeping the community safe during the winter storm. She expressed condolences to Mayor Pro-Tem Sanchez for the loss a family member.

Councilmember Bryant expressed condolences to the Sanchez family for their loss. He thanked everyone for their dedication in keeping the community safe during the winter storm.

Councilmember Michelson thanked everyone for their dedication in keeping the community safe during the winter storm.

Mayor White expressed condolences to the Sanchez family for their loss. He also thanked everyone for their dedication in keeping the community safe during the winter storm.

ITEM 9. ADJOURNMENT.

Councilmember Mendoza made a motion to adjourn the meeting. Councilmember McGregor seconded. The motion passed by a vote of 6-0. The meeting was adjourned at 8:54 p.m.

PASSED and APPROVED this the 16th day of March 2021.

CITY OF LOCKHART



Lew White, Mayor

ATTEST:



Connie Constancio, TRMC
City Secretary

