

**LOCKHART CITY COUNCIL
REGULAR MEETING**

MARCH 21, 2017

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 Jeffrey Michelson

Mayor Lew White
Councilmember John Castillo
Councilmember Benny Hilburn
Councilmember Brad Westmoreland

Staff present:

Vance Rodgers, City Manager
Robert Tobias, Economic Development Director

Connie Constancio, City Secretary

Citizens/Visitors Addressing the Council: Sharon Limas of the Lockhart Youth Soccer Association (LYSA).

Work Session 6:30 p.m.

Mayor White opened the work session and advised the Council, staff and the audience that staff would provide information and explanations about the following items:

DISCUSSION ONLY

A. DISCUSS MINUTES OF THE CITY COUNCIL MEETING OF MARCH 7, 2017.

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

B. DISCUSS FIVE YEAR AGREEMENT WITH THE LOCKHART YOUTH SOCCER ASSOCIATION (LYSA) FOR USE OF THE CPL. JASON K. LAFLEUR SPORTS COMPLEX WHEREBY LYSA WOULD TAKE OVER CERTAIN MAINTENANCE AND OPERATIONAL RESPONSIBILITIES IN EXCHANGE FOR DEFINED CONTROL OF THE FIELDS AND CONCESSION STAND, AND APPOINTING THE CITY MANAGER TO SIGN THE AGREEMENT, IF APPROVED BY COUNCIL.

Mr. Rodgers stated that staff has been working with LYSA on a five year agreement whereby LYSA would take over certain maintenance and operational responsibilities of the Cpl. Jason K. LaFleur Sports Complex in exchange for defined control of the fields similar to the agreement the City has had with the Lockhart Little League Association for several years. LYSA would take over mowing and maintenance of the fields, cleaning and general maintenance of the concessions stand and restrooms, empty trash barrels, and perform litter pick up. The City Parks crew would still mow the areas outside the fields. LYSA would have the authority to rent out the fields under certain conditions to other non-profit organizations and groups and keep the revenues from such rentals. LYSA reviewed and approved the agreement before it was taken to the Parks Advisory Board which approved it with very minor suggested changes. Mr. Rodgers recommended approval. There was discussion.

Sharon Limas of the LYSA provided information and there was discussion about their scheduled maintenance at the Sports Complex.

C. DISCUSS IMPLEMENTING THE NEW WEBSITE OF THE CITY OF LOCKHART, TEXAS AND AUTHORIZING STAFF TO PROCEED WITH ALL ASPECTS INVOLVED IN THE TRANSITION.

Ms. Constancio provided information and there was discussion regarding the new website.

D. DISCUSS ORDINANCE 2017-05 SUSPENDING UNTIL JUNE 16, 2017, THE PROPOSED GAS RELIABILITY INFRASTRUCTURE PROGRAM (GRIP) INTERIM RATE ADJUSTMENT OF THE TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, FILED MARCH 3, 2017.

Mr. Rodgers stated that the ordinance delays until June 16, 2017 temporary gas rate increases referred to as Gas Reliability Infrastructure Program (GRIP) increases which are allowed by the Railroad Commission to recover gas system capital expenditures from the previous year. The increases, averaging \$1.33 per month for residents and \$5.79 for businesses, would begin on May 2, 2017 without passage of this ordinance. The requested increases appear to be valid because of the amount of funds that were spent on gas infrastructure improvements during the past year. Mr. Rodgers recommended approval. There was discussion.

E. DISCUSS ORDINANCE 2017-06 AMENDING PORTIONS OF CHAPTER 58, ARTICLE III, WATER, SEWER, ELECTRIC EXTENSIONS, DIVISION 1, GENERALLY, CHAPTER 58, SECTIONS 58-171 THROUGH 58-174 OF THE CODE OF ORDINANCES PROVIDING FOR A UTILITY MAIN EXTENSION APPLICATION AND A PRO-RATA REIMBURSEMENT APPLICATION AND PROCESS.

Mr. Rodgers stated that the ordinance makes minor changes to the existing utility extension policy and sets in place an application and process for possible pro-rata reimbursement of water, wastewater, and electric main line extensions initially paid for by an owner/developer. Currently the process for possible pro-rata reimbursement of expenses involved with main line extensions to the owner/developer is not clear. The City retains the right not to participate in such agreements. An example would be when the extensions would only benefit the owner/developer. Another example would be when a larger sewer main line extension uses a larger main only to achieve the distance required to the owner/developer property. Mr. Rodgers recommended approval. There was discussion.

F. DISCUSS CHANGE ORDER #2 FOR QRO-MEX CONSTRUCTION COMPANY, INC., TO INCREASE THE CURRENT CONTRACT BY \$45,950 MAKING THE NEW CONTRACT AMOUNT \$2,154,615 FOR UTILITY WORK ON LOCUST STREET TO ACCOMMODATE DRAINAGE WORK TO BE PERFORMED ON PINE, COMAL, ASH STREETS, AND FOR OTHER INCREASED QUANTITIES IN THE CURRENT CONTRACT, AND APPOINTING THE MAYOR TO SIGN THE CHANGE ORDER, IF APPROVED.

Mr. Rodgers stated that Qro-Mex Construction Company, Inc., has the current contract to perform utility, drainage, and street improvements on the Richland Drive project and on the Mesquite-Braden-Vega-Wichita Street project; the unit prices for the work were very good. The contractor has agreed to extend the same unit prices for the proposed change order. The total current contract including Change Order #1 is \$2,108,665. The proposed Change Order #2 would add \$45,950 to the current contract to extend a deep wastewater line on Locust Street to accommodate the drainage project on Pine, Comal, and Ash Streets and allows for increased quantities in the approved contract. The new line will be very deep and is mostly in solid rock for which the contractor has special equipment. The percentage increase in the original contract, if approved, would be 23%; State law allows up to a 25% increase without re-bidding. The new contract amount, if Change Order #2 is approved, will be \$2,154,615. Mr. Rodgers recommended approval. There was discussion.

G. DISCUSSION REGARDING RESOLUTION 2017-06 RESCINDING RESOLUTION 2016-12 WHICH APPROVED THE 4B ECONOMIC DEVELOPMENT PROJECT BY HILL COUNTRY FOODWORKS, LLC AT 215 E. MLK, JR. INDUSTRIAL BLVD. IN ORDER TO ESTABLISH 4B PROJECTS WITH THE SAME COMPANY.

Mr. Tobias stated that the Lockhart Economic Development Corporation (LEDC) rescinded LEDC Resolution 2016-03 which is the previous 4B economic development project proposed by Hill Country Foodworks, LLC. in order to consider a new 4B project with a larger scope. This resolution rescinds the previous City Council Resolution 2016-02 for the original Hill Country Foodworks, LLC. project so that a new project can be considered for approval by the City Council. There was discussion.

H. DISCUSSION REGARDING RESOLUTION 2017-07 APPROVING A 4A TYPE PROJECT UNDER SECTION 4B OF THE TEXAS ECONOMIC DEVELOPMENT CORPORATION ACT OF 1979, AS AMENDED, FOR FUNDING OF HILL COUNTRY FOODWORKS, LLC, IN AN AMOUNT NOT TO EXCEED \$186,000 TO EMPLOY A MINIMUM OF 20 FULL TIME EQUIVALENT EMPLOYEES WITH AN AVERAGE ANNUAL WAGE OF \$30,250 AND AN ESTIMATED CAPITAL INVESTMENT OF \$1.475 MILLION OVER THE THREE-YEAR CONTRACTUAL PERIOD FOR LAND/BUILDING LOCATED AT 215 E. MLK, JR. INDUSTRIAL BLVD. IMPROVEMENTS AND PROFESSIONAL SERVICES.

Mr. Tobias stated that the Lockhart Economic Development Corporation (LEDC) unanimously voted to approve LEDC Resolution 2017-04 at its recent board meeting on March 13, 2017, after receiving input from Jacob Cathey one of the owners of Hill Country Foodworks, conducting a public hearing, receiving input from staff, and reviewing the Economic Development Impact Data sheet. Mr. Tobias provided brief information about the new scope of the project and recommended approval. There was discussion.

I. DISCUSSION REGARDING AN AMENDED CHAPTER 380 ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT WITH HILL COUNTRY FOODWORKS, LLC WHICH REFLECTS A NEW SCOPE OF DEVELOPMENT INCLUDING A 5,000 SQUARE FOOT ADDITION TO THE BUILDING AT 215 E. MLK JR. INDUSTRIAL BLVD. WHICH SIGNIFICANTLY INCREASES THE PROJECT INVESTMENT FOR THE PROJECT FROM \$450,000 TO \$920,000 OVER THE THREE- YEAR AGREEMENT PERIOD WHICH INCLUDES A MINIMUM OF 20 JOBS MAKING AN ANNUAL WAGE OF \$30,250.

Mr. Tobias stated that Council approved a 380 Economic Development Incentive Agreement with Hill Country Foodworks, LLC. on October 13, 2016. The previous project resolution with Hill Country Foodworks has been rescinded. An amended 380 Agreement is needed to reflect the significant investment increase (from \$450,000 to \$920,000 not including the existing land and building) in the project by Hill Country Foodworks, LLC. The new agreement reflects possible higher property tax rebates because of the higher investment by the company as long as it maintains a minimum of 20 jobs at an average annual wage of \$30,250 for three years. Mr. Tobias recommended approval.

There was discussion. Mr. Rodgers stated that he recommends offering tax rebates instead of tax abatements to enable businesses to show proof of abiding by and fulfilling the requirements as outlined in the incentive agreement.

J. DISCUSSION AFTER FISCAL YEAR 2016-2017 CITY COUNCIL GOALS UPDATE BY THE CITY MANAGER.

Mr. Rodgers stated that the goals provide a six-month update and invited comments or additional explanation about the goals. There was discussion.

Mr. Rodgers suggested that a goals workshop be held in April prior to beginning the budget workshop process.

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

REGULAR MEETING

ITEM 1. CALL TO ORDER.

Mayor Lew White called the regular meeting of the Lockhart City Council to order on this date at 7:45 p.m.

ITEM 2. INVOCATION, PLEDGE OF ALLEGIANCE.

Invocation – Mayor Pro-Tem Angie Gonzales-Sanchez
Pledge of Allegiance to the United States and Texas flags.

ITEM 3. CITIZENS/VISITORS COMMENTS.

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

ITEM 4-A. DISCUSSION AND/OR ACTION REGARDING RESOLUTION 2017-06 RESCINDING RESOLUTION 2016-12 WHICH APPROVED THE 4B ECONOMIC DEVELOPMENT PROJECT BY HILL COUNTRY FOODWORKS, LLC AT 215 E. MLK, JR. INDUSTRIAL BLVD. IN ORDER TO ESTABLISH 4B PROJECTS WITH THE SAME COMPANY.

Councilmember Castillo made a motion to approve Resolution 2017-06 rescinding Resolution 2016-12 which approved the 4B Economic Development project by Hill Country Foodworks, LLC. at 215 E. MLK, Jr. Industrial Blvd. in order to establish 4B projects with the same company. Councilmember Michelson seconded. The motion passed by a vote of 7-0.

ITEM 4-B. CONDUCT THE FIRST OF TWO REQUIRED READINGS AND DISCUSSION OF RESOLUTION 2017-07 APPROVING A 4A TYPE PROJECT UNDER SECTION 4B OF THE TEXAS ECONOMIC DEVELOPMENT CORPORATION ACT OF 1979, AS AMENDED, FOR FUNDING OF HILL COUNTRY FOODWORKS, LLC, IN AN AMOUNT NOT TO EXCEED \$186,000 TO EMPLOY A MINIMUM OF 20 FULL TIME EQUIVALENT EMPLOYEES WITH AN AVERAGE ANNUAL WAGE OF \$30,250 AND AN ESTIMATED CAPITAL INVESTMENT OF \$1.475 MILLION OVER THE THREE-YEAR CONTRACTUAL PERIOD FOR LAND/BUILDING LOCATED AT 215 E. MLK, JR. INDUSTRIAL BLVD. IMPROVEMENTS AND PROFESSIONAL SERVICES.

Mr. Tobias read Resolution 2017-07 in its entirety.

ITEM 5. CONSENT AGENDA.

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

The following are the consent agenda items that were approved:

- 5A: Approve minutes of the City Council meeting of March 7, 2017.
- 5B: Approve five year agreement with the Lockhart Youth Soccer Association (LYSA) for use of the Cpl. Jason K. LaFleur Sports Complex whereby LYSA would take over certain maintenance and operational responsibilities in exchange for defined control of the fields and concession stand, and appointing the City Manager to sign the agreement, if approved by Council.
- 5C: Approve implementing the new website of the City of Lockhart, Texas and authorizing staff to proceed with all aspects involved in the transition.
- 5D: Approve Ordinance 2017-05 suspending until June 16, 2017, the proposed Gas Reliability Infrastructure Program (GRIP) interim rate adjustment of the Texas Gas Service Company, a division of One Gas, filed March 3, 2017.
- 5E: Approve Ordinance 2017-06 amending portions of Chapter 58, Article III, Water, Sewer, Electric Extensions, Division 1, Generally, Chapter 58, Sections 58-171 through 58-174 of the Code of Ordinances providing for a utility main extension application and a pro-rata reimbursement application and process.
- 5F: Approve Change Order #2 for Qro-Mex Construction Company, Inc., to increase the current contract by \$45,950 making the new contract amount \$2,154,615 for utility work on Locust Street to accommodate drainage work to be performed on Pine, Comal, Ash Streets, and for other increased quantities in the current contract, and appointing the Mayor to sign the change order, if approved.

ITEM 6-A. CONDUCT THE SECOND OF TWO REQUIRED READINGS AND DISCUSSION AND/OR ACTION REGARDING RESOLUTION 2017-07 APPROVING A 4A TYPE PROJECT UNDER SECTION 4B OF THE TEXAS ECONOMIC DEVELOPMENT CORPORATION ACT OF 1979, AS AMENDED, FOR FUNDING OF HILL COUNTRY FOODWORKS, LLC, IN AN AMOUNT NOT TO EXCEED \$186,000 TO EMPLOY A MINIMUM OF 20 FULL TIME EQUIVALENT EMPLOYEES WITH AN AVERAGE ANNUAL WAGE OF \$30,250 AND AN ESTIMATED CAPITAL INVESTMENT OF \$1.475 MILLION OVER THE THREE-YEAR CONTRACTUAL PERIOD FOR LAND/BUILDING LOCATED AT 215 E. MLK, JR. INDUSTRIAL BLVD. IMPROVEMENTS AND PROFESSIONAL SERVICES.

Mr. Tobias read Resolution 2017-07 in its entirety.

Councilmember Michelson made a motion to approve Resolution 2017-07, as presented. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 7-0.

ITEM 6-B. DISCUSSION AND/OR ACTION REGARDING AN AMENDED CHAPTER 380 ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT WITH HILL COUNTRY FOODWORKS, LLC WHICH REFLECTS A NEW SCOPE OF DEVELOPMENT INCLUDING A 5,000 SQUARE FOOT ADDITION TO THE BUILDING AT 215 E. MLK JR. INDUSTRIAL BLVD. WHICH SIGNIFICANTLY INCREASES THE PROJECT INVESTMENT FOR THE PROJECT FROM \$450,000 TO \$920,000 OVER THE THREE- YEAR AGREEMENT PERIOD WHICH INCLUDES A MINIMUM OF 20 JOBS MAKING A MINIMUM ANNUAL WAGE OF \$30,250.

There was brief discussion.

Councilmember Hilburn made a motion to approve the amended Chapter 380 Economic Development Incentive Agreement with Hill Country Foodworks, LLC., as presented. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 7-0.

ITEM 6-C. DISCUSSION AND/OR ACTION AFTER FISCAL YEAR 2016-2017 CITY COUNCIL GOALS UPDATE BY THE CITY MANAGER.

Mr. Rodgers encouraged the Council to submit comments.

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

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

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

- Update: US Hwy 183 expansion project, Blackjack to Wal-Mart; the last design puts all drainage waters on the west side until it gets down to the ditch between Smith Supply and Walmart; West side almost complete.
- Update: Drainage work continues on Mesquite, Braden, Wichita, and Vega Street areas; detention ponds and other work about 98% complete; patching and paving of streets should be completed within the next 10 days, weather-permitting. Rain has delayed paving yet paving was completed on that project today.
- Update: E. Walnut Street Neighborhood Drainage Project, utility clearance work completed; contract putting down first course of base soon and then will start the curbing; rain has been a problem.
- Update: Bid advertisements for the Ash, Comal, and Pine Street Drainage Project are now planned within the next 30 days; utility clearances are taking longer than anticipated. We will wait on bidding out to conflict with City crews working on water/sewer clearances; a neighborhood meeting will be set up after the bidding but before the project starts.
- Update: Utility main extension projects in western corridor are being designed and will be ready for bid in about 60 days.
- Report: Welcome Spring Day Event in City Park held on Saturday, March 18 with Kid Fish, Bouncy House, Free Hot Dogs, Petting Zoo, and Chamber Chili Cook-off.
- Report: Greater Caldwell County Hispanic Chamber of Commerce Banquet held Saturday, March 18.
- Reminder: Spring Festival at the Lockhart Animal Shelter on Saturday, April 1, starting at 11 am with kids show, food, and prizes showcasing the improvements recently completed at the shelter.
- Reminder: Lockhart Cowtown Stroll, Saturday, April 1, Downtown starting at 4 pm.
- Reminder: City Wide Residential Spring Clean Up starts first Wednesday in April.
- Reminder: Don't Mess with Texas Trash Off on Saturday, April 8th.

- Reminder: 11th Annual Lockhart Kiwanis 5K Stampede or 1K Fun Run/Walk, Saturday, April 15th.
- Reminder: The Texas Mustang Club will have about 300 Mustangs on display at the First Lockhart Baptist Church Parking lots on W. Prairie Lea Street starting at 1 pm Saturday, April 15, after the Kiwanis events.
- Announcement: Taking City Pool Lifeguard Applications.
- Announcement: City of Lockhart has received the LCRA Community Grant in the amount of \$25,000 to help with lighting at the Cpl. Jason K. LaFleur Sports Complex.
- Spectrum Cable is scheduled to complete repairs of the Channel 10 interruptions by May 2017.
- Update about the emergency siren.

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

Councilmember Westmoreland commented about how well the downtown square is maintained.

Councilmember Mendoza expressed condolences to all that have lost a loved one. He congratulated the Greater Caldwell County Hispanic Chamber of Commerce for a successful annual banquet.

Mayor Pro-Tem Sanchez expressed condolences to the families of Raymond Mireles, Peggy and Kenneth Hoffman, Helen Harris and Richard Huggins for their loss. She thanked all involved with the successful KidFish/Welcome Spring Day event. She also congratulated the recipients of awards at the Greater Caldwell County Hispanic Chamber of Commerce banquet.

Councilmember Hilburn expressed condolences to those that have lost a loved one or were injured. He thanked the Greater Caldwell County Hispanic Chamber of Commerce for a successful banquet. He also thanked the citizens of Lockhart and Caldwell County for voting him as the “2017 Friendliest Person” in Caldwell County.

Councilmember Castillo thanked the Greater Caldwell County Hispanic Chamber of Commerce for a successful banquet and to those that received awards. He expressed condolences to those that have lost a loved one. He thanked all involved with the successful KidFish/Welcome Spring Day and Chili Cookoff events. He thanked the city crews for their work.

Councilmember Michelson thanked all involved with the successful KidFish/Welcome Spring Day event. He congratulated the recipients of awards at the Greater Caldwell County Hispanic Chamber of Commerce banquet.

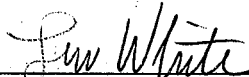
Mayor White thanked the community for supporting those that were injured and lost in the tragic accident in Mississippi. He thanked the Greater Caldwell County Hispanic Chamber of Commerce for a successful banquet and congratulated those that received awards. He thanked all that participated in the successful KidFish/Welcome Spring Day event. Little League opening day is Saturday, March 25 and he encouraged citizens to support the youth during the baseball season. He also congratulated Councilman Hilburn for receiving the “2017 Friendliest Person” award. Sip n Stroll event will be held downtown on April 1, 2017 beginning at 4 pm.

ITEM 9. ADJOURNMENT.

Mayor Pro-Tem Sanchez made a motion to adjourn the meeting. Councilmember Mendoza seconded. The motion passed by a vote of 7-0. The meeting was adjourned at 8:30 p.m.


PASSED and APPROVED this the 4th day of April 2017.

CITY OF LOCKHART



Lew White, Mayor

ATTEST:



Connie Constancio, TRMC
City Secretary

