

PUBLIC NOTICE

AGENDA

LOCKHART CITY COUNCIL

TUESDAY, MARCH 19, 2019

**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. Discuss minutes of the City Council meeting of February 27, 2019 and March 5, 2019.
- B. Presentation and discussion regarding the City of Lockhart's and Component Unit's Fiscal Year 2017-2018 Financial Audit by Harrison, Waldrop & Uherek, L.L.P. ⁵⁻¹⁵ 16-124
- C. Discuss Resolution 2019-08, adopting the Fund Balance – Stabilization and Excess of Reserves Policies according to the guidelines from Government Finance Officers Association (GFOA). 125-129
- D. Discuss Digitization Services with MCCi to scan large plans stored in the Inspection Department into Laserfiche. 130-142
- E. Discuss Ordinance 2019-06 establishing the classification and the number of employees in each classification within the Police Department. 143-162
- F. Discuss the Request for Qualifications document to begin the process to select a new City Attorney. 163-168
- G. Discuss possible regulations to govern the use of the public sidewalks in the central business district for objects associated with abutting businesses such as benches, chairs and tables, clothing racks, portable statues, signs, and other promotional items. 169-171
- H. Discuss allocating the use of \$1,195,750 to implement needed park renovations and additions identified in the 2019/2020 Lockhart Parks and Renovation Project List to include use of \$816,800 of funds available for parks in the 2015 Certificates of Obligation, and reallocating the remaining balance from City Hall's proposed elevator in the amount of \$237,751 from the 2015 Certificates of Obligation towards Parks, with the remaining \$141,199 to be covered by unrestricted fund balance or budgeted into Capital Projects in the Fiscal Year 2019-2020 Budget. 172-177
- I. Discuss Resolution 2019-09 adopting Strategic Priorities for 2019-2020. 178-197

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. CITIZENS/VISITORS COMMENTS

(The purpose of this item is to allow citizens an opportunity to address the City Council on issues that are not on the agenda. No discussion can be carried out on the citizen/visitor comment.)

4. CONSENT AGENDA

- A. Approve minutes of the City Council meeting of February 27, 2019 and March 5, 2019. 5-15
- B. Accept the City of Lockhart's and Component Unit's Fiscal Year 2017-2018 Financial Audit by Harrison, Waldrop & Uherek, L.L.P. 16-124
- C. Approve Resolution 2019-08, adopting the Fund Balance – Stabilization and Excess of Reserves Policies according to the guidelines from Government Finance Officers Association (GFOA). 125-129
- D. Approve Digitization Services with MCCi to scan large plans stored in the Inspection Department into Laserfiche. 130-142
- E. Approve Ordinance 2019-06 establishing the classification and the number of employees in each classification within the Police Department. 143-162
- F. Approve the Request for Qualifications document to begin the process to select a new City Attorney. 163-168

5. DISCUSSION/ACTION ITEMS

- A. Discuss possible regulations to govern the use of the public sidewalks in the central business district for objects associated with abutting businesses such as benches, chairs and tables, clothing racks, portable statues, signs, and other promotional items. 169-171
- B. Discussion and/or action regarding allocating the use of \$1,195,750 to implement needed park renovations and additions identified in the 2019/2020 Lockhart Parks and Renovation Project List to include use of \$816,800 of funds available for parks in the 2015 Certificates of Obligation, and reallocating the remaining balance from City Hall's proposed elevator in the amount of \$237,751 from the 2015 Certificates of Obligation towards Parks, with the remaining \$141,199 to be covered by unrestricted fund balance or budgeted into Capital Projects in the Fiscal Year 2019-2020 Budget. 172-177
- C. Discussion and/or action to consider Resolution 2019-09 adopting Strategic Priorities for 2019-2020. 178-197
- D. Discussion and/or action regarding appointments to various boards, commissions or committees. 198-206

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

- **Events:**
 - KidFish and Welcome Spring Day at City Park held on March 16 from 9am until 12(noon). Tolbert Chili Cookoff was also held at City Park, March 15-16.
 - Dr. Eugene Clark Library hosting fun Spring Break events for children this week; March 18 – 20.
 - Cleanup at the Lockhart Cemetery begins on March 25.
 - Annual Child Abuse Awareness Month fundraiser for Roxanne's House will be held on March 30 at the Lions Club from 1-4 pm.
 - 2019 Residential Citywide Cleanup Program scheduled for April 3, 10, 17 and 24, depending on customer location.
 - Kiwanis 5K Stampede or 1K Fun Run will be held on Saturday, April 13.
 - Sip-n-Stroll will be held downtown on April 6.
 - Lockhart Victim Assistance Team will host National Crime Victims' Rights Week on April 9 at City Hall, Glosserman Room at 7:00 p.m.
- **Library Events:**
 - Irving Club Tea March 19, 2019 from 1:00 p.m. to 3:00 p.m. with author, Myra Hargrave McIlvain.
 - AARP Tax Aid - Mondays from 9:00 a.m. to 12:00 p.m.
 - Dia de Ninos to be held on April 30, 2019, 10:00 am -12:00 pm. Dia de Ninos is a nationally recognized initiative that emphasizes the importance of literacy for all children from all backgrounds. It is a daily commitment to linking children and their families to diverse books, languages and cultures.
 - Wedding in the historic Dr. Eugene Clark Library to be held on Friday, March 22, 2019.
 - Plans are underway for Fiesta Del Mariachi Festival at the Library to be held on Saturday, April 27, 2019 from 6:00 p.m. to 10:00 p.m.
- **Review of the February 2019 Revenue and Expenditure Report.**
- **Economic Development Updates:**
 - Visionary Fiber Technologies planning to open in April and has begun hiring a number of scientists and engineers in its technology transfer facility located at 1400 Blackjack.
 - The Turner Company has begun construction of their precast concrete plant on their 31-acre tract off at FM-142/Cistern Road. Production to begin in May while the balance of the facility will be completed by the Fall.
 - Dailey Electric's operations opened in Aug 2018 and now has 20 employees.
- **The 2019/2020 Community Development Block Grant (CDBG) application was submitted on March 11th for the continuation of the 18" water main located behind Serta Mattress Factory to connect to South Commerce Street.**
- **Staff met with representatives of LCRA in preparation for LCRA Steps Forward. LCRA Step Forward is an annual community service effort. This year's event will be held on April 5th.**
- **Legislative Update.**

7. **COUNCIL AND STAFF COMMENTS – ITEMS OF COMMUNITY INTEREST**
(**Items of Community Interest defined below)

8. **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.

I certify that the above notice of meeting was posted on the bulletin board in the Municipal Building, 308 West San Antonio Street, Lockhart, Texas, on the 15th day of March 2019 at 11:35am. I further certify that the following News Media was properly notified of this meeting as stated above: Lockhart Post-Register

Connie Constancio

Connie Constancio, TRMC
City Secretary

**LOCKHART CITY COUNCIL
SPECIAL MEETING
WORKSHOP**

FEBRUARY 27, 2019

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 John Castillo (arrived at 6:40 pm)
Councilmember Kara McGregor
Councilmember Brad Westmoreland

Staff present:

Steve Lewis, City Manager
Sean Kelley, Public Works Director
Pam Larison, Interim Finance Director

Connie Constancio, City Secretary
Chris Sager, Parks Manager

Citizens/Visitors Addressing the Council: Rachael Lingvai, Citizen.

ITEM 1. CALL TO ORDER.

Mayor Lew White called the workshop/special meeting to order at 6:30 p.m.

ITEM 2-A. DISCUSSION AND/OR ACTION TO CONSIDER IMPLEMENTING THE PARKS MASTER PLAN.

There was discussion about improvements at all parks throughout the city. Details of the proposed Lockhart Parks Improvements and associated costs are listed on Exhibit A.

There was discussion about adding a few items as listed below:

- City Park – request the Lockhart Independent School District assist with repairing the streets since the school buses use the street as a route.
- Sports Complex – add one batting cage
- Pecos Park – do not add the bridge. Use those funds towards other park improvements.
- Nueces Park – repair the fence around the basketball court and improve drainage.
- Lions Park – upgrade restroom

There was also discussion regarding the following topics:

- Grant writing process.
- Possible historic playscape that could cost approximately \$60,000.
- Donations of new trees from organizations.
- Improvements to the lighting at various parks.
- Family considering donation towards the Nueces Park in memory of their daughter.

Rachael Lingvai, Citizen, requested that the playscape at the Navarro Springs Park be painted and that the park be updated.

ITEM 3. 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 8:10 p.m.

PASSED and APPROVED this the 19th day of March 2019.

CITY OF LOCKHART

Lew White, Mayor

ATTEST:

Connie Constancio, TRMC
City Secretary

EXHIBIT "A"

DRAFT

Lockhart Parks Improvements and Associated Costs extracted from the Parks Recreation and Open Space Master Plan.

Park	Improvements	Quantity	Unit Cost	Estimated Cost
City Park	Playscape	1	\$50,000.00	\$50,000.00
Community	Wayfinding	5	\$200.00	\$1,000.00
	Picnic Shelters	5	\$5,000.00	\$25,000.00
	Pier Cover	1	\$5,000.00	\$5,000.00
	Dog Park	1	\$45,000.00	\$45,000.00
	Restroom Upgrade	2	\$30,000.00	\$60,000.00
	Lighting Upgrades	40	\$500.00	\$20,000.00
	Parking Lot Upgrade	1	\$30,000.00	\$30,000.00
	Roads	1	\$100,000.00	\$100,000.00
	Security System	1	\$50,000.00	\$50,000.00
Sports Complex	Signs	1	\$500.00	\$500.00
Community	Playscape	1	\$50,000.00	\$50,000.00
Pecos	Pavilion	1	\$10,000.00	\$10,000.00
Neighborhood	Signs	1	\$500.00	\$500.00
	Update restrooms	1	\$30,000.00	\$30,000.00
	Bridge	1	\$63,500.00	\$63,500.00
LaFleur Complex	Playscape Cover	1	\$25,000.00	\$25,000.00
Community	Shade Structures	5	\$25,000.00	\$125,000.00
	Splash Pad	1	\$100,000.00	\$100,000.00
	Picnic Tables	5	\$1,850.00	\$9,250.00
	Trees	20	\$450.00	\$9,000.00
Nueces	Picnic Tables	5	\$1,200.00	\$6,000.00
Neighborhood	New Playscape	1	\$50,000.00	\$50,000.00
	Restroom Upgrade	1	\$30,000.00	\$30,000.00
	Upgrade Lighting	4	\$500.00	\$2,000.00
	Bridge	1	\$10,000.00	\$10,000.00
	Signs	2	\$500.00	\$1,000.00
Santos Arredondo	Signs/restroom	1	\$500.00	\$500.00
Neighborhood	Playscape Cover	1	\$25,000.00	\$25,000.00
Navarro Springs	Signage	1	\$500.00	\$500.00
Neighborhood	trees	10	\$450.00	\$4,500.00
	Playscape Cover	1	\$25,000.00	\$25,000.00
Lions Park	New Playscape	1	\$50,000.00	\$50,000.00
Community	Replace Bridges	3	\$10,000.00	\$30,000.00
	Upgrade Lights	9	\$500.00	\$4,500.00
	Covered Picnic Areas	4	\$25,000.00	\$100,000.00
Braun Park	Replace shade screen	1	\$1,500.00	\$1,500.00
Neighborhood	Playscape Cover	1	\$25,000.00	\$25,000.00
	Trees	15	\$450.00	\$6,750.00
Senior Center	Building Upgrade	1	\$3,000.00	\$3,000.00
Grant Funds	Matching Grant Funds	1	\$200,000.00	\$200,000.00
Total				\$1,384,000.00

**REGULAR MEETING
LOCKHART CITY COUNCIL**

MARCH 5, 2019

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 Kara McGregor
Councilmember Brad Westmoreland

Staff present:

Steve Lewis, City Manager
Dan Gibson, City Planner
Chris Sager, Parks Manager

Connie Constancio, City Secretary
Sean Kelley, Public Works Director

Citizens/Visitors Addressing the Council: Class of 1989: James Morales and Pete Mireles; Stella Rojas of Lockhart Little League; Citizens: Ronda Reagan, Tom Guyton and Mike Hollifield.

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 FEBRUARY 19, 2019.

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

B. DISCUSS CONTRACT WITH THE LOWER COLORADO RIVER AUTHORITY (LCRA) FOR SUBSTATION INSPECTION, MAINTENANCE AND TESTING.

Mr. Lewis stated that the current contract with LCRA is about to expire. The contract indicates that LCRA will provide maintenance, testing and inspections at the FM 20 and Clearfork Electric substations. LCRA will conduct visual inspections of the electric lines and other components, in addition to maintenance to the equipment. Monthly tests of the breakers will be conducted to assure that they are operating properly. If extensive repairs are required, LCRA will do the repairs for an additional cost. The cost for the services is \$26,600.00 over a 5-year period. The payments will be broken down to \$443.33 per month for 60 months. There was discussion.

C. DISCUSS RESOLUTION 2019-07 IN OPPOSITION TO A REVENUE CAP AND LEGISLATIVE INTERFERENCE WITH LOCAL SERVICES.

Mayor White stated that SB 2 is a bill that proposes to lower the rollback rate from 8 to 2.5 percent for cities. If the bill passes, it will most likely require most cities that exceed the rollback rate, when setting their tax rate, to hold an election in November to request the voter's approval of the new tax rate. Texas Municipal League (TML) encouraged cities to submit opposition to the bill. If approved, the Resolution will be forwarded to Senator Judith Zaffirini and Representative John Cyrier. There was discussion.

8

D. DISCUSSION REGARDING REQUEST FROM THE CLASS OF '89 TO ADD THE NAME OF THE LATE MARK A. MARTINEZ TO A FIELD AT THE LOCKHART YOUTH SPORTS COMPLEX, WHICH INCLUDES THE INSTALLATION OF A NEW SCOREBOARD.

Mayor White stated that the item was a continuance from the last meeting. The Parks Advisory Board did not vote to make a recommendation. The Parks Advisory Board unanimously voted not to make a recommendation to the Council because there was no policy to follow about naming fields at the Sports Complex. They also suggested that the Council consider renaming the Citizens Field since it was not named after an individual.

James Morales, Round Rock, Texas, stated that the Class of '89 began communicating with the Little League Board members, city staff and councilmembers several months ago about the field name change. He acknowledged the late Mark Martinez's dedication to the community, citizens and the game. He requested that the Council vote to add Mark Martinez's name to the Citizens Field scoreboard, as recommended by the Parks Advisory Board.

Pete Mireles, Representative of the Class of '89, also acknowledged the late Mark Martinez's dedication to the community, children and the game. He requested that the Council vote to add Mark Martinez's name to the Citizens Field scoreboard.

Mayor White stated that the naming request was a tough decision because Council respects all involved. He stated that the issue brings about a necessity to establish a policy for future requests.

Mayor Pro-Tem Sanchez stated that the Council considered and approved previous scoreboard naming requests at the Youth Sports Complex. She recommended that the Council approve the Class of '89's request to add the late Mark A. Martinez's name to the Citizens Field.

Councilmember Castillo spoke in favor of approving the donation of a new scoreboard and to add the late Mark A. Martinez's name to the Citizens Field scoreboard. He also recommended that a policy be established about naming fields at the Sports Complex for future requests.

Councilmember Mendoza spoke in favor of approving the donation of a new scoreboard and to rename the Citizens Field in honor of the late Mark A. Martinez.

Councilmember McGregor stated that the Parks Board member that recommended renaming the Citizens Field thereafter researched the naming of the Citizens Field and determined that it is named in honor of many individuals that donated time and monetary donations to the field. He requested that his recommendation be withdrawn.

Stella Rojas, 624 Trinity, stated that the Little League Board continues to stand by their original unanimous vote not to rename a field and the suggestion about creating a wall of honor at the Sports Complex also remains. She suggested that the Council establish a naming policy and request that the Class of '89 thereafter return with their request.

Mayor White expressed appreciation to all that are interested in park improvements. He stated that the existing fields are named to honor the dedicated individuals and businesses from the past and those that continue to support the Little League. Changing an already named park or field is very difficult. He explained the process that he took to request the current LeFleur Soccer Complex to be named after a fallen soldier, which included the Parks Advisory Board's recommendation prior to the Council's consideration. He thanked everyone involved with the request. He suggested that the request tonight be denied, that a naming policy be established immediately, and that Mark's name be memorialized on the memorial sign. He stated that he would not support renaming a field until a policy is established.

Councilmember Westmoreland stated that Little League has always been a part of Lockhart and he thanked everyone for their dedication. He spoke and thanked many individuals who participated and contributed to making the Sports Complex to be what it is today. He appreciated that the Little League remain about the children. He spoke in favor of creating a naming policy.

Councilmember Michelson also thanked everyone for their request. He suggested that the Class of '89 re-consider naming a different part of the sports complex, such as a batting cage in honor of Mark Martinez.

Councilmember Castillo expressed disappointment about the lack of support of renaming Citizens Field to honor the late Mark A. Martinez. He requested approval.

Mayor White stated that the item would be brought up for a vote during the regular meeting.

E. DISCUSS POSSIBLE FORMATION OF A NEW AD-HOC COMMITTEE TO COMPLETE THE BRANDING AND WAYFINDING PLAN, AND CONSIDER FUTURE APPOINTMENT OF MEMBERS TO THE COMMITTEE.

Mayor White stated that during the last meeting, it was decided that appointments should be made to the committee. There was discussion.

Mayor Pro-Tem Sanchez recommended that Christie Pruitt and Roy Watson remain on the committee. Mayor White stated that Ms. Pruitt will begin Chisholm Trail duties and would not be able to participate and that she recommended that Ronda Reagan serve in her place.

Mayor White suggested that Roy Watson, Ronda Reagan, Rob Ortiz, and Sally Daniel be appointed to the committee.

F. DISCUSSION REGARDING THE PROCESS TO SELECT A NEW CITY ATTORNEY.

Mayor White stated that Peter Gruning, City Attorney, submitted his resignation. Mr. Gruning will continue to assist with the City Attorney duties until the position is filled.

There was discussion regarding the notification process for the position as to whether it should be a job advertisement or a Request for Qualification (RFQ). After discussion, it was determined to utilize the RFQ process.

RECESS: Mayor White announced that the Council would recess for a break at 7:50 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 8:05 p.m.

ITEM 2. INVOCATION, PLEDGE OF ALLEGIANCE.

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

ITEM 3. CITIZENS/VISITORS COMMENTS.

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

ITEM 4-A. CONTINUE A PUBLIC HEARING AND DISCUSSION AND/OR ACTION TO CONSIDER AN APPEAL BY THE LOCKHART DOWNTOWN BUSINESS ASSOCIATION, INC., OF THE PLANNING AND ZONING COMMISSION'S APPROVAL OF SUP-19-03, AN APPLICATION BY MICHAEL HOLLIFIELD ON BEHALF OF CYNTHIA ALVAREZ FOR A SPECIFIC USE PERMIT TO ALLOW A CHURCH ON PART OF LOTS 4 AND 5, BLOCK 23, ORIGINAL TOWN OF LOCKHART, CONSISTING OF 0.18 ACRE ZONED CCB COMMERCIAL CENTRAL BUSINESS DISTRICT AND LOCATED AT 115 NORTH COMMERCE STREET. [TABLED 2-19-2019]

Mayor White opened the public hearing at 8:07 p.m. and requested the staff report.

Mr. Gibson stated that the public hearing was held during the previous meeting. The CCB district allows a variety of commercial uses by-right such as offices, retail, and restaurants, but churches require approval of a specific use permit. The same applicant previously requested a change in zoning for this property from CHB to CCB, and it was approved by the City Council on December 18, 2018. The proposed church will have a seating capacity of 120 in the sanctuary, and will operate only on Sunday mornings. Off-street parking is not required in the CCB District, but adequate on-street parking is available on Sunday mornings. Mr. Gibson reported that he had counted 112 on-street parking spaces within a 200-foot radius of the subject property, and 154 more around the west, south, and east sides of the courthouse square, plus along North Commerce up to Pecan Street, which is 1½ blocks from the property. In addition, the Presbyterian Church has nine off-street spaces on their property, plus approximately 16 off-street spaces on the adjacent former County Justice Center property while it is not in use. Concerns have previously been expressed that churches occupying commercial buildings are not the most productive use of space in a district where other uses operating for more days during the week and generating tax revenue should be encouraged. The subject building has been vacant for many years so the proposed church would not be subtracting from the number of business locations already in use in the downtown area. Also, a question was raised at the February 19 Council meeting regarding the applicability of the Federal law known as the Religious Land Use and Institutional Persons Act (RLUIPA). A written opinion from the city attorney regarding the law indicates that the Act provides that a city's zoning ordinance cannot treat churches less favorably than other similar non-religious uses, or unreasonably restrict a religious use and, that the council has the authority to approve or deny the use of the property as a place of assembly based on reasonable and clearly articulated concerns about limited on-street parking in the downtown area, but not on the use of the property as a church.

Mayor White requested the following citizens to address the Council:

Ronda Reagan, 412 W. San Antonio Street, spoke on behalf of the Lockhart Downtown Business Association (LDBA) that is comprised 37 members. Many of the businesses are open on Sundays. The LDBA voted to request denial of the specific use permit. The Lockhart Bistro serves brunch on Sundays and opens at 11:00 a.m., with employees arriving at 8:00 a.m. Lockhart Bistro will utilize at least 30 parking spaces. She reminded the Council that the Presbyterian Church spoke at the previous meeting opposing the specific use permit because of the lack of parking if services are at the same time for both churches. The LDBA is opposed to SUP-19-03 for a church because of inadequate parking.

Mayor White requested additional citizens in favor of the appeal to address the Council. There were none.

Mayor White requested citizens against the appeal to address the Council.

Tom Guyton, 507 Shelley's Cove, member of Promiseland Church, stated that he agrees that the location is not ideal for a church. Currently, the church uses a facility at a school that requires them to setup and tear down each Sunday. Because of that, they searched for a temporary facility for the church that they could use until they find a permanent facility in an appropriate location for a church that would be safe and with adequate parking. He also mentioned that the church has not negotiated rent with the landlord because the specific use permit has not been approved.

Mike Hollifield, Pastor of Promiseland Church/applicant, requested denial of the appeal of the specific use permit. He also stated that the proposed location was a temporary facility for the church until they find a permanent location.

Councilmember Mendoza asked if the church was still offering two services. Mr. Hollifield replied that they were considering services at 9:00 a.m. and 11:00 a.m.

Mayor White requested additional citizens to address the Council. There were none. He closed the public hearing at 8:31 p.m.

Councilmember McGregor stated that she believes that the parking was an issue for the area.

Councilmember Mendoza stated that he drove around the area this past Sunday and that there seemed to be plenty of parking for church services and the downtown businesses.

Councilmember Castillo spoke in favor of denying the appeal and to allow the specific use permit for the church.

Mayor Pro-Tem Sanchez spoke in favor of denying the appeal and to allow the specific use permit. She stated that regardless of whether a church or another business is in that building, she believed that parking would always be an issue.

Mayor Pro-Tem Sanchez made a motion to deny the appeal of SUP-19-03. Councilmember Castillo seconded. The motion passed by a vote of 4-3, with Mayor White, and Councilmembers Westmoreland and McGregor opposing.

ITEM 5. CONSENT AGENDA

Mayor Pro-Tem Sanchez made a motion to approve consent agenda items 5A, 5B, and 5C. Councilmember McGregor 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 February 19, 2019.
- 5B: Approve contract with the Lower Colorado River Authority (LCRA) for substation inspection, maintenance and testing.
- 5C: Approve Resolution 2019-07 in opposition to a revenue cap and Legislative interference with local services.

ITEM 6-A. DISCUSSION AND/OR ACTION REGARDING REQUEST FROM THE CLASS OF '89 TO ADD THE NAME OF THE LATE MARK A. MARTINEZ TO A FIELD AT THE LOCKHART YOUTH SPORTS COMPLEX, WHICH INCLUDES THE INSTALLATION OF A NEW SCOREBOARD.

Mayor Pro-Tem Sanchez made a motion to honor the request of the Class of '89 to add the name of the late Mark A. Martinez to the Citizens Field at the Lockhart Youth Sports Complex, and this would also include the installation of a new scoreboard. Councilmember Castillo seconded. There was brief discussion. The motion passed by a vote of 5-2, with Mayor White and Councilmember McGregor opposing.

ITEM 6-B. DISCUSS POSSIBLE FORMATION OF A NEW AD-HOC COMMITTEE TO COMPLETE THE BRANDING AND WAYFINDING PLAN, AND CONSIDER FUTURE APPOINTMENT OF MEMBERS TO THE COMMITTEE.

Mayor White made a motion to appoint Roy Watson, Ronda Reagan, Sally Daniel, Rob Ortiz and Bobby Herzog to the ad-hoc committee. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

ITEM 6-C. DISCUSSION AND/OR ACTION REGARDING THE PROCESS TO SELECT A NEW CITY ATTORNEY.

Mayor White stated that Steve Lewis, Mayor Pro-Tem Sanchez, a local licensed attorney, and he will serve on a committee to review Requests for Qualification/resumes/applications. An official Request for Qualifications (RFQ) will be presented to the Council for approval during the next meeting to begin advertising the position for approximately 30 days.

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

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

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

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

- Staff (Chief Randy Jenkins and Sean Kelley) attended the Kick-Off Workshop for FEMA-mandated **Hazard Mitigation Action Plan** for the Caldwell County planning area. The goal of the Plan is to minimize or eliminate the long-term risk to human life and property from known natural hazards by identifying and implementing cost-effective mitigation actions in the planning area. The next planning meetings will be held on April 25th and July 24th at 3:00pm at the Caldwell County Justice Center.
- Texas Warrant Round Up across the State of Texas on February 25 – March 16. Police officers throughout the State will be actively serving Class C warrants.
- Events:

- Household Hazardous Waste Collection event was held on Saturday, March 2 at City Park from 9am until 12(noon). City staff was also available at the Recycling Center from 8am-1pm to assist with items brought to the event that can be recycled.
- KidFish and Welcome Spring Day at City Park will be held on March 16 from 9am until 12(noon). Tolbert Chili Cookoff is also scheduled at City Park that weekend, March 15-16.
- Dr. Eugene Clark Library will host fun Spring Break events for children on March 18 – 20.
- Cemetery Cleanup at the Lockhart Cemetery will be on March 25 thru March 29.
- 2019 Residential Citywide Cleanup Program scheduled for April 3, 10, 17 and 24, depending on customer location.
- Kiwanis 5K Stampede or 1K Fun Run will be held on Saturday, April 13.
- Next Routine Emergency Warning System Siren Test will be on April 15 at 1p.m.
- Finance and Utilities will soon be submitting an ordinance amendment concerning utility customers opting out of FlexNet meters back to Analog with a \$25 charge for manual reads.
- MuniServices will be conducting a teleconference with Finance on February 28th to begin proceedings for Hotel Occupancy Tax Collection Audit and Discovery Services.
- Fiscal Year 2017-2018 Annual Financial Audit Report presentation scheduled for March 19th Council Meeting.
- Recommendation from the Downtown Revitalization Committee to replace the holiday roofline lighting around the downtown square.
- Police Chief Forum was held on February 21. The forum provided citizens with information about Stats, Racial Profiling Report and a presentation from Officer Castilleja regarding the warrant office and Municipal Court. In addition, Tina Ramsey, Victim Service Coordinator, was recognized for her valuable contributions to the Caldwell County Tree of Angels in 2018 by the State of Texas People Against Violent Crime. The next Police Chief forum will be on April 18.
- The Electric Reliability Council of Texas (ERCOT) is forecasting a high probability of energy capacity shortages this summer. LCRA, following the lead of the PUC, is requesting heightened awareness and preparedness.

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

Councilmember Westmoreland expressed condolences to the family of Austin Pittman for their loss. First Friday was a great success.

Councilmember Mendoza expressed condolences to all that have lost a loved one. He thanked the Lockhart Little League and for all that participate in tonight's meeting.

Mayor Pro-Tem Sanchez expressed condolences to the family of Austin Pittman for their loss. She congratulated the Hispanic Chamber for the successful annual banquet and the First Baptist Church for celebrating Black History Month. They honored Mrs. Myrtle Moore, who is 99 years old. She thanked the Caldwell County Livestock Auction for a successful event. She encouraged parents to discuss the seriousness of terroristic threats. She congratulated Benny Boyd for a successful business meet and greet event.

Councilmember McGregor congratulated Commerce Gallery for a successful opening night. She thanked citizens for participating in tonight's meeting.

Councilmember Castillo expressed condolences to the Pittman family for their loss. He thanked staff for the successful Household Hazardous Waste Collection event on Saturday. He also thanked Mr. Lewis for keeping the Council informed and staff for their work.

Councilmember Michelson congratulated the Hispanic Chamber for a successful banquet and First Friday for a successful event. He expressed condolences to the family of Mr. Pittman for their loss.

Mayor White expressed condolences to the family of Austin Pittman for their loss. He congratulated the Hispanic Chamber for a successful banquet. KidFish and Welcome Spring Day will be held on Saturday, March 16 at City Park at 9 am. He thanked all that attended the successful First Friday event and encouraged citizens to continue to attend. Sip-n-Stroll is next month. He thanked the Council for making tough decisions tonight, and he discouraged negativity amongst the Council. He encouraged positive discussions in the future.

ITEM 9. ADJOURNMENT.

Mayor Pro-Tem Sanchez made a motion to adjourn the meeting. Councilmember Mendoza seconded. The motion passed by a vote of 7-0. The meeting was adjourned at 9:08 p.m.

PASSED and APPROVED this the 19th day of March 2019.

CITY OF LOCKHART

Lew White, Mayor

ATTEST:

Connie Constancio, TRMC
City Secretary

City of Lockhart, Tx

Council Agenda Item Briefing Data

COUNCIL MEETING DATE: March 19, 2019

AGENDA ITEM CAPTION: Presentation and/or Action for the City Council to consider acceptance of the City of Lockhart's and Component Unit's Fiscal Year 2017-2018 Financial Audit by Harrison, Waldrop, & Uherek, L.L.P.

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 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 Annual Financial Report presented this evening is presented with an Unqualified Opinion; or “Clean Opinion.” An Unqualified Opinion is presumed to be free from material misstatements. In addition, an unqualified opinion is given over the internal controls of an entity if management has claimed responsibility for its establishment and maintenance, and the auditor has performed fieldwork to test its effectiveness.

PROJECT SCHEDULE (if applicable):

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

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

FISCAL NOTE (if applicable):

Previous Council Action:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends acceptance of the FY 2017-2018 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:



CITY OF LOCKHART, TEXAS

ANNUAL FINANCIAL REPORT

For the fiscal year ended September 30, 2018

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	4
<u>Basic Financial Statements</u>	
Government-wide Financial Statements	
Statement of Net Position	12
Statement of Activities	14
Fund Financial Statements	
Balance Sheet - Governmental Funds	16
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	19
Statement of Net Position - Proprietary Funds	20
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds	26
Statement of Fiduciary Net Position - Fiduciary Funds	30
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	31
Notes to Financial Statements	32
<u>Required Supplementary Information</u>	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	71
Schedule of Changes in Net Pension Liability and Related Ratios - Texas Municipal Retirement System - Pension	72
Schedule of Employer Contributions - Texas Municipal Retirement System - Pension	74
Schedule of Changes in Total OPEB Liability and Related Ratios - Texas Municipal Retirement System - Supplemental Death Benefit	76
Schedule of Employer Contributions - Texas Municipal Retirement System - Supplemental Death Benefit	77
Schedule of Changes in Total OPEB Liability and Related Ratios - Retiree Healthcare	78
Notes to Required Supplementary Information	79
<u>Combining and Individual Fund Statements</u>	
Combining Balance Sheet - Nonmajor Governmental Funds	81
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	82
Combining Balance Sheet - Nonmajor Special Revenue Funds	83
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	83

TABLE OF CONTENTS

	<u>Page</u>
<u>Combining and Individual Fund Statements - (Continued)</u>	
Combining Balance Sheet - Nonmajor Capital Project Funds	89
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Project Funds	90
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Nonmajor Governmental Fund - Debt Service Fund	91
Combining Statement of Net Position - Nonmajor Enterprise Funds	92
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Nonmajor Enterprise Funds	93
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	94
Combining Statement of Net Position - Fiduciary Funds	95
Combining Statement of Changes in Fiduciary Net Position - Private Purpose Trusts	97
OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION	
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 <i>Government Auditing Standards</i>	98

FINANCIAL SECTION



CERTIFIED PUBLIC ACCOUNTANTS
101 S. MAIN, SUITE 400
VICTORIA, TEXAS 77901-8142

STEPHEN W. VAN MANEN, CPA
DENNIS C. CHAL, CPA
ERIC L. KUCERA, CPA
CLAYTON F. VAN PELT, CPA
ROBERT W. SCHAAR, CPA
MELISSA M. TERRY, CPA

VOICE: (361) 573-3255
FAX: (361) 573-9531

INDEPENDENT AUDITORS' REPORT

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

Mayor and Members of Council:

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, 2018, 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 misstatements, 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

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, 2018, 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.

Emphasis of Matter

As discussed in Note 19 to the financial statements, in 2018 the City adopted new accounting guidance from Governmental Accounting Standards Board Statement No. 75 related to accounting for other post employment benefit plans. This resulted in a restatement of prior year balances. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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 combining nonmajor fund financial statements and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor and individual 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 nonmajor fund financial statements and the compliance schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Honorable Mayor and Members
of the City Council

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2019, 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

March 13, 2019

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, 2018.

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, 2018, by \$44,167,778. Of this amount, \$10,614,676 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 \$28,803,324 for the fiscal year which is an increase of \$699,367 from the prior year.
- During the year, the City's general revenues exceeded net expenses of all City activities by \$2,216,587. This represents a 5% increase in net position from the previous fiscal year as a result of operations.
- At September 30, 2018, the City's governmental funds reported combined ending fund balances of \$10,998,145, an increase of \$205,576 in comparison with the prior year.
- At September 30, 2018, unassigned fund balance for the General Fund was \$4,451,131 or 47% of total General Fund expenditures.

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, 3) component unit financial statements, and 4) notes to financial statements.

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 11

Government-wide Financial Statements

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

Pages 12 to 15

Fund Financial Statements

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

Pages 16 to 31

Notes to Financial Statements

Provides a summary of significant accounting policies and related disclosures.

Pages 32 to 70

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 2017-2018 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 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 30 through 31 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

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

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 \$44,167,778 at the close of the 2018 fiscal year.

By far, the largest portion of the City's net position, 70%, 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)

City of Lockhart, Texas

Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017*	2018	2017*	2018	2017*
Current and other assets	\$ 12,185,125	\$ 11,892,770	\$ 20,613,045	\$ 20,238,321	\$ 32,798,170	\$ 32,131,091
Capital assets (net)	22,777,509	23,282,995	22,515,446	22,075,259	45,292,955	45,358,254
Total assets	34,962,634	35,175,765	43,128,491	42,313,580	78,091,125	77,489,345
Deferred outflow of resources	964,727	2,003,206	371,884	626,431	1,336,611	2,629,637
Current and other liabilities	1,447,457	1,491,546	2,224,344	2,939,323	3,671,801	4,430,869
Noncurrent liabilities	16,841,818	20,528,694	13,948,453	14,645,286	30,790,271	35,173,980
Total liabilities	18,289,275	22,020,240	16,172,797	17,584,609	34,462,072	39,604,849
Deferred inflow of resources	644,443	42,290	153,443	12,198	797,886	54,488
Net position:						
Net investment in capital assets	13,774,228	14,162,688	16,961,238	16,507,663	30,735,466	30,670,351
Restricted	1,396,101	1,141,195	1,421,535	1,163,687	2,817,636	2,304,882
Unrestricted	1,823,314	1,304,104	8,791,362	7,671,854	10,614,676	8,975,958
Total net position	\$ 16,993,643	\$ 16,607,987	\$ 27,174,135	\$ 25,343,204	\$ 44,167,778	\$ 41,951,191

*2017 net position has been restated. See Note 19 of this report.

An additional portion of the City's net position, 6%, 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, \$10,614,676, 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.

Governmental activities. Governmental activities increased the City's net position by \$385,656. Key elements of this increase are as follows:

- Increase in charges for services of \$592,691.
- Increase in property taxes of \$415,501.

Business-type activities. Business-type activities increased the City's net position by \$1,830,931 accounting for 83% of the total growth in the City's net position. Key elements of this increase are as follows:

- Charges for services were \$803,317 higher due to increase in demand.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - (Continued)

City of Lockhart, Texas						
Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2018	2017*	2018	2017*	2018	2017*
REVENUES						
Program revenues:						
Charges for services	\$ 1,690,569	\$ 1,097,878	\$ 21,133,352	\$ 20,330,035	\$ 22,823,921	\$ 21,427,913
Operating grants and contributions	566,039	202,393	24,925	7,016	590,964	209,409
Capital grants and contributions	278,000	-	-	195,261	278,000	195,261
General revenues:						
Property taxes	4,325,200	3,909,699	-	-	4,325,200	3,909,699
Sales taxes	1,650,931	1,549,695	-	-	1,650,931	1,549,695
Franchise taxes	357,278	312,433	-	-	357,278	312,433
Other taxes	106,756	96,529	-	-	106,756	96,529
Impact fees	-	-	244,561	83,585	244,561	83,585
Investment earnings	190,320	99,353	236,101	118,159	426,421	217,512
Miscellaneous	192,281	289,291	23,598	-	215,879	289,291
Total revenues	9,357,374	7,557,271	21,662,537	20,734,056	31,019,911	28,291,327
EXPENSES						
General government	2,045,364	2,083,166	-	-	2,045,364	2,083,166
Public safety	5,401,024	5,086,371	-	-	5,401,024	5,086,371
Public works	3,084,192	2,644,292	-	-	3,084,192	2,644,292
Health	16,326	22,137	-	-	16,326	22,137
Culture and recreation	1,077,697	1,006,038	-	-	1,077,697	1,006,038
Interest on long-term debt	441,769	459,629	-	-	441,769	459,629
Electric	-	-	9,132,038	8,722,211	9,132,038	8,722,211
Water	-	-	3,428,101	3,545,084	3,428,101	3,545,084
Wastewater	-	-	1,281,066	1,824,111	1,281,066	1,824,111
EMS	-	-	1,334,506	1,289,014	1,334,506	1,289,014
Sanitation	-	-	1,461,111	1,345,466	1,461,111	1,345,466
Airport	-	-	100,130	76,438	100,130	76,438
Total expenses	12,066,372	11,301,633	16,736,952	16,802,324	28,803,324	28,103,957
Change in net position before transfers	(2,708,998)	(3,744,362)	4,925,585	3,931,732	2,216,587	187,370
Transfers	3,094,654	2,896,410	(3,094,654)	(2,896,410)	-	-
Change in net position	385,656	(847,952)	1,830,931	1,035,322	2,216,587	187,370
Net position - beginning	16,607,987	17,455,939	25,343,204	24,307,882	41,951,191	41,763,821
Net position - ending	\$ 16,993,643	\$ 16,607,987	\$ 27,174,135	\$ 25,343,204	\$ 44,167,778	\$ 41,951,191

*2017 net position has been restated. See Note 19 of this report.

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 \$10,998,145, an increase of \$205,576 from the prior year.

Approximately 40% of this total amount, \$4,451,131, constitutes unassigned fund balance, which is available for spending at the government's discretion. The City also has \$553,877 of fund balance that is committed for specific projects. In addition, there is \$5,940,939 of fund balance that is restricted for specific purposes and \$52,198 that is classified as nonspendable; being that it is not available for new spending because it has already been committed: 1) for prepaid expenditures \$40,635; and 2) for inventory \$11,563.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$4,451,131. Unassigned fund balance represents 47% of total General Fund expenditures. The fund balance of the City's General Fund increased by \$587,246 during the current fiscal year.

The primary reason for the increase in the governmental fund balance was due to the increase in the General Fund fund balance in the amount of \$587,246. This increase was mainly due to an increase in transfers from other funds during fiscal year 2018 of \$311,954 in comparison with the prior year.

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 \$8,791,362. The total growth for the funds was \$1,830,931 as a result of an increase in charges for services and impact fees from the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual fiscal year revenues in the General Fund were \$713,970 more than the final budgeted amounts. The positive variance over the anticipated amount is comprised of the following items:

- \$117,082 in property tax revenues.
- \$142,797 increase in sales and other tax revenues.
- \$111,448 and \$114,912 in intergovernmental and miscellaneous revenues.

Actual fiscal year expenditures in the General Fund were \$636,273 less than the final budgeted amounts. The positive variance over the anticipated amount is comprised of the following items:

- \$536,918 in general government.
- \$247,793 in capital outlay.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities amounts to \$45,292,955 (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 \$65,299 or 0.1%.

City of Lockhart, Texas

Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 1,587,394	\$ 1,488,954	\$ 574,710	\$ 574,710	\$ 2,162,104	\$ 2,063,664
Construction in progress	97,176	608,655	827,195	681,574	924,371	1,290,229
Bldgs. and improvements	7,581,373	7,667,359	1,421,243	1,462,927	9,002,616	9,130,286
Infrastructure	12,195,622	12,384,114	18,611,999	18,631,350	30,807,621	31,015,464
Machinery and equipment	1,315,944	1,133,913	1,080,299	724,698	2,396,243	1,858,611
Total	\$ 22,777,509	\$ 23,282,995	\$ 22,515,446	\$ 22,075,259	\$ 45,292,955	\$ 45,358,254

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 \$24,478,829. Of this amount, \$6,530,000 represents General Obligation Tax and Revenue Bonds. The remainder of the City's bonded debt is comprised of \$16,800,000 of Combination Tax and Revenue Certificates of Obligation and unamortized premiums of \$1,148,829. The City's bonded debt had a net decrease of \$1,058,772 during the fiscal year ended September 30, 2018. Additional information on the long-term debt can be found in Note 10.

The City maintains a bond rating of "AA-" from Standard & Poor's.

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.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Interest rates are remaining at higher levels and should result in interest earnings consistent with the 2018 fiscal year.
- The City continues to experience economic growth with the construction of new businesses in the retail and manufacturing sectors.

All of these factors were considered in preparing the City's budget for the 2018-2019 fiscal year.

The certified assessed taxable property valuations for the 2018 tax roll total \$666,616,058 with a tax rate of \$0.7107 per \$100 valuation. \$0.6031 was allocated for maintenance and operations, and \$0.1076 was allocated for interest and sinking (debt service). The projected total property tax due is \$4,608,371 for the 2018 tax year.

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, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Lockhart Economic Development Corporation
ASSETS				
Current assets				
Cash and cash equivalents	\$ 10,914,124	\$ 15,143,451	\$ 26,057,575	\$ 2,864,783
Receivables (net)	915,591	4,972,429	5,888,020	147,819
Due from other governments	295,638	-	295,638	-
Prepaid expenses	48,209	15,130	63,339	-
Inventory	11,563	482,035	493,598	325,000
Total current assets	<u>12,185,125</u>	<u>20,613,045</u>	<u>32,798,170</u>	<u>3,337,602</u>
Noncurrent assets (net)				
Capital assets	<u>22,777,509</u>	<u>22,515,446</u>	<u>45,292,955</u>	<u>634,320</u>
Total noncurrent assets	<u>22,777,509</u>	<u>22,515,446</u>	<u>45,292,955</u>	<u>634,320</u>
Total assets	<u>34,962,634</u>	<u>43,128,491</u>	<u>78,091,125</u>	<u>3,971,922</u>
DEFERRED OUTFLOWS				
Deferred amount on refunding	257,861	180,927	438,788	-
Deferred outflow related to pension	676,631	183,864	860,495	-
Deferred outflow related to OPEB	<u>30,235</u>	<u>7,093</u>	<u>37,328</u>	<u>-</u>
Total deferred outflow of resources	<u>964,727</u>	<u>371,884</u>	<u>1,336,611</u>	<u>-</u>

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	\$ 301,120	\$ 1,052,938	\$ 1,354,058	\$ 25,169
Payroll related payables	178,452	54,144	232,596	6,689
Other payables	6,651	-	6,651	-
Accrued interest payable	74,415	79,771	154,186	-
Due to other governments	40,092	87,641	127,733	-
Deposits	45,650	387,608	433,258	-
Unearned revenue	-	2,758	2,758	-
Accrued compensated absences	110,277	58,443	168,720	1,026
Current portion of long-term liabilities	690,800	501,041	1,191,841	19,040
Total current liabilities	1,447,457	2,224,344	3,671,801	51,924
Noncurrent liabilities				
Accrued compensated absences	330,829	-	330,829	-
Noncurrent portion of long-term liabilities	13,101,799	13,148,766	26,250,565	165,129
Net pension liability	2,767,021	649,055	3,416,076	-
OPEB liability	642,169	150,632	792,801	-
Total noncurrent liabilities	16,841,818	13,948,453	30,790,271	165,129
Total liabilities	18,289,275	16,172,797	34,462,072	217,053
DEFERRED INFLOWS				
Deferred inflow related to pension	644,443	153,443	797,886	-
Total deferred inflows	644,443	153,443	797,886	-
NET POSITION				
Net investment in capital assets	13,774,228	16,961,238	30,735,466	450,151
Restricted				
Debt service	224,528	225,926	450,454	-
Other purposes	1,171,573	1,195,609	2,367,182	-
Unrestricted	1,823,314	8,791,362	10,614,676	3,304,718
Total net position	\$ 16,993,643	\$ 27,174,135	\$ 44,167,778	\$ 3,754,869

CITY OF LOCKHART, TEXAS
STATEMENT OF ACTIVITIES
For the year ended September 30, 2018

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	\$ 2,045,364	\$ 223,254	\$ 66,976	\$ -
Public safety	5,401,024	1,005,749	483,068	-
Public works	3,084,192	423,575	-	-
Health	16,326	-	-	-
Culture and recreation	1,077,697	37,991	15,995	278,000
Interest on long-term debt	441,769	-	-	-
Total governmental activities	12,066,372	1,690,569	566,039	278,000
Business-type activities				
Electric	9,132,038	12,238,369	-	-
Water	3,428,101	3,336,689	-	-
Wastewater	1,281,066	2,339,875	-	-
EMS	1,334,506	1,438,174	4,385	-
Other	1,561,241	1,780,245	20,540	-
Total business-type activities	16,736,952	21,133,352	24,925	-
Total primary government	\$ 28,803,324	\$ 22,823,921	\$ 590,964	\$ 278,000
Component Unit				
Lockhart Economic Development Corporation	\$ 724,030	\$ 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, as restated

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
\$ (1,755,134)	\$ -	\$ (1,755,134)	\$ -
(3,912,207)	-	(3,912,207)	-
(2,660,617)	-	(2,660,617)	-
(16,326)	-	(16,326)	-
(745,711)	-	(745,711)	-
(441,769)	-	(441,769)	-
<u>(9,531,764)</u>	<u>-</u>	<u>(9,531,764)</u>	<u>-</u>
-	3,106,331	3,106,331	-
-	(91,412)	(91,412)	-
-	1,058,809	1,058,809	-
-	108,053	108,053	-
-	239,544	239,544	-
-	<u>4,421,325</u>	<u>4,421,325</u>	-
<u>(9,531,764)</u>	<u>4,421,325</u>	<u>(5,110,439)</u>	-
-	-	-	(650,905)
3,620,758	-	3,620,758	-
704,442	-	704,442	-
1,650,931	-	1,650,931	825,465
357,278	-	357,278	-
106,756	-	106,756	-
-	244,561	244,561	-
190,320	236,101	426,421	44,442
192,281	23,598	215,879	242
3,094,654	(3,094,654)	-	-
<u>9,917,420</u>	<u>(2,590,394)</u>	<u>7,327,026</u>	<u>870,149</u>
385,656	1,830,931	2,216,587	219,244
<u>16,607,987</u>	<u>25,343,204</u>	<u>41,951,191</u>	<u>3,535,625</u>
<u>\$ 16,993,643</u>	<u>\$ 27,174,135</u>	<u>\$ 44,167,778</u>	<u>\$ 3,754,869</u>

CITY OF LOCKHART, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2018

	General	2015 Certificates of Obligation	Other Governmental Funds	Total Governmental Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 5,015,612	\$ 4,239,670	\$ 1,658,842	\$ 10,914,124
Receivables (net)	720,571	-	195,020	915,591
Due from other funds	25,974	-	-	25,974
Due from other governments	295,638	-	-	295,638
Prepaid expenditures	37,870	-	10,339	48,209
Inventory	11,563	-	-	11,563
Total assets	\$ 6,107,228	\$ 4,239,670	\$ 1,864,201	\$ 12,211,099
LIABILITIES				
Accounts payable	\$ 287,031	\$ -	\$ 14,089	\$ 301,120
Payroll related payables	178,452	-	-	178,452
Other payables	6,651	-	-	6,651
Due to other funds	-	-	25,974	25,974
Due to other governments	40,092	-	-	40,092
Deposits	-	-	45,650	45,650
Total liabilities	512,226	-	85,713	597,939
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	540,561	-	74,454	615,015
Total deferred inflows of resources	540,561	-	74,454	615,015
FUND BALANCES				
Nonspendable				
Prepaid expenditures	37,870	-	2,765	40,635
Inventory	11,563	-	-	11,563
Restricted				
General government	-	-	35,067	35,067
Tourism	-	-	2,721	2,721
Public safety	-	-	227,044	227,044
Public works	-	-	903,976	903,976
Debt service	-	-	240,674	240,674
Various capital projects	-	4,239,670	291,787	4,531,457
Committed				
Sidewalks	17,596	-	-	17,596
Revolving loan	263,827	-	-	263,827
Industrial park	272,454	-	-	272,454
Unassigned	4,451,131	-	-	4,451,131
Total fund balances	5,054,441	4,239,670	1,704,034	10,998,145
Total liabilities, deferred inflows and fund balances	\$ 6,107,228	\$ 4,239,670	\$ 1,864,201	\$ 12,211,099

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, 2018

Total governmental fund balances		\$ 10,998,145
<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	\$ 96,743,677	
Accumulated depreciation of governmental capital assets	<u>(73,966,168)</u>	22,777,509
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	344,957	
Other charges for services	<u>270,058</u>	615,015
Deferred outflows of resources are not reported in the governmental funds:		
Deferred amount on refunding	257,861	
Deferred amount on pension	676,631	
Deferred amount on OPEB	<u>30,235</u>	964,727
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	(13,079,817)	
Bond premium	(712,782)	
Net pension liability	(2,767,021)	
OPEB liability	(642,169)	
Accrued interest payable	(74,415)	
Compensated absences	<u>(441,106)</u>	(17,717,310)
Deferred inflows of resources are not reported in the governmental funds:		
Deferred amount on pension		<u>(644,443)</u>
Net position of governmental activities		\$ <u>16,993,643</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, 2018

	<u>General</u>	<u>2015 Certificates of Obligation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 3,642,474	\$ -	\$ 710,351	\$ 4,352,825
Sales and other taxes	2,013,845	-	101,120	2,114,965
Fines, fees and forfeitures	364,423	-	863,134	1,227,557
Licenses and permits	192,622	-	-	192,622
Intergovernmental and grants	323,298	-	135,326	458,624
Investment	89,701	68,082	32,537	190,320
Miscellaneous	263,684	-	59,612	323,296
Total revenues	<u>6,890,047</u>	<u>68,082</u>	<u>1,902,080</u>	<u>8,860,209</u>
EXPENDITURES				
Current				
General government	1,891,347	-	42,340	1,933,687
Public safety	4,978,250	-	234,269	5,212,519
Public works	1,593,994	-	133,411	1,727,405
Health and welfare	11,396	-	-	11,396
Culture and recreation	938,896	-	10,835	949,731
Capital outlay	126,365	626,882	75,625	828,872
Debt service				
Principal retirement	-	-	601,470	601,470
Interest and fiscal charges	-	-	483,207	483,207
Paying agent and issue costs	-	-	1,000	1,000
Total expenditures	<u>9,540,248</u>	<u>626,882</u>	<u>1,582,157</u>	<u>11,749,287</u>
Excess (deficiency) of revenues over expenditures	(2,650,201)	(558,800)	319,923	(2,889,078)
OTHER FINANCING SOURCES (USES)				
Transfers in	3,333,060	-	355,540	3,688,600
Transfers out	(95,613)	-	(498,333)	(593,946)
Total other financing sources	<u>3,237,447</u>	<u>-</u>	<u>(142,793)</u>	<u>3,094,654</u>
Net change in fund balances	587,246	(558,800)	177,130	205,576
Fund balances - beginning, as restated	<u>4,467,195</u>	<u>4,798,470</u>	<u>1,526,904</u>	<u>10,792,569</u>
Fund balances - ending	<u>\$ 5,054,441</u>	<u>\$ 4,239,670</u>	<u>\$ 1,704,034</u>	<u>\$ 10,998,145</u>

The accompanying notes are an integral part of this statement.

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, 2018**

Total net change in fund balances - governmental funds **\$ 205,576**

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	\$ 1,343,939	
Depreciation expense	<u>(2,127,425)</u>	(783,486)

The net effect of various transactions involving capital assets (i.e., transfers, contributions, adjustments and dispositions) is to increase (decrease) net position. 278,000

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		601,470
---------------------------	--	---------

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	(49,026)	
Other revenues	<u>268,190</u>	219,164

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	(13,350)	
Decrease in bond premium	61,511	
Decrease in loss on bond refunding	(23,443)	
Decrease in accrued interest	4,370	
Net pension costs	(134,268)	
Net OPEB costs	<u>(29,888)</u>	<u>(135,068)</u>

Change in net position of governmental activities **\$ 385,656**

The accompanying notes are an integral part of this statement.

CITY OF LOCKHART, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2018

	<u>Business-type Activities</u>		
	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,319,715	\$ 9,318,180	\$ 2,335,895
Receivables (net)			
Customer accounts	2,066,764	535,443	343,442
Other	-	-	229,279
Prepaid expenses	14,981	-	149
Inventory	482,035	-	-
Total current assets	<u>4,883,495</u>	<u>9,853,623</u>	<u>2,908,765</u>
Noncurrent assets			
Capital assets (net)			
Land and other assets not being depreciated	448,247	620,260	140,828
Buildings, improvements, and equipment (net)	2,828,650	10,041,922	6,380,052
Total noncurrent assets	<u>3,276,897</u>	<u>10,662,182</u>	<u>6,520,880</u>
Total assets	<u>8,160,392</u>	<u>20,515,805</u>	<u>9,429,645</u>
DEFERRED OUTFLOWS			
Deferred amount on refunding	-	156,846	24,081
Deferred outflow related to pension	113,740	15,564	38,199
Deferred outflow related to OPEB	4,106	1,493	747
Total deferred outflow of resources	<u>117,846</u>	<u>173,903</u>	<u>63,027</u>

The accompanying notes are an integral part of this statement.

41

<u>Business-type Activities</u>		
<u>EMS</u>	<u>Other Funds</u>	<u>Total</u>
\$ 571,668	\$ 597,993	\$ 15,143,451
1,538,111	259,390	4,743,150
-	-	229,279
-	-	15,130
-	-	482,035
<u>2,109,779</u>	<u>857,383</u>	<u>20,613,045</u>
-	192,570	1,401,905
<u>405,376</u>	<u>1,457,541</u>	<u>21,113,541</u>
<u>405,376</u>	<u>1,650,111</u>	<u>22,515,446</u>
<u>2,515,155</u>	<u>2,507,494</u>	<u>43,128,491</u>
-	-	180,927
-	16,361	183,864
-	747	7,093
-	17,108	371,884

(continued)

CITY OF LOCKHART, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2018

	Business-type Activities		
	Electric	Water	Wastewater
LIABILITIES			
Current liabilities			
Accounts payable	\$ 571,698	\$ 208,169	\$ 64,401
Payroll related payables	32,023	10,194	6,707
Accrued interest payable	6,939	60,276	12,556
Due to other governments	87,641	-	-
Customer deposits	266,513	114,070	-
Unearned revenue	-	-	-
Accrued compensated absences	41,225	6,207	5,865
Current portion of long-term obligations			
Capital leases	-	-	-
Bonds, certificates and notes	49,128	353,152	81,369
Total current liabilities	<u>1,055,167</u>	<u>752,068</u>	<u>170,898</u>
Noncurrent liabilities			
Net pension liability	375,768	136,643	68,322
OPEB liability	87,208	31,712	15,856
Noncurrent portion of long-term obligations	831,822	10,412,727	1,817,259
Total noncurrent liabilities	<u>1,294,798</u>	<u>10,581,082</u>	<u>1,901,437</u>
Total liabilities	<u>2,349,965</u>	<u>11,333,150</u>	<u>2,072,335</u>
DEFERRED INFLOWS			
Deferred inflow related to pension	88,484	31,401	18,347
Total deferred inflows	<u>88,484</u>	<u>31,401</u>	<u>18,347</u>
NET POSITION			
Net investment in capital assets	2,395,947	7,759,174	4,854,980
Restricted	167,997	730,406	523,132
Unrestricted	3,275,845	835,577	2,023,878
Total net position	<u>\$ 5,839,789</u>	<u>\$ 9,325,157</u>	<u>\$ 7,401,990</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>
\$ 111,300	\$ 97,370	\$ 1,052,938
-	5,220	54,144
-	-	79,771
-	-	87,641
-	7,025	387,608
-	2,758	2,758
-	5,146	58,443
17,392	-	17,392
-	-	483,649
<u>128,692</u>	<u>117,519</u>	<u>2,224,344</u>
-	68,322	649,055
-	15,856	150,632
<u>86,958</u>	<u>-</u>	<u>13,148,766</u>
<u>86,958</u>	<u>84,178</u>	<u>13,948,453</u>
<u>215,650</u>	<u>201,697</u>	<u>16,172,797</u>
-	15,211	153,443
-	15,211	153,443
301,026	1,650,111	16,961,238
-	-	1,421,535
<u>1,998,479</u>	<u>657,583</u>	<u>8,791,362</u>
<u>\$ 2,299,505</u>	<u>\$ 2,307,694</u>	<u>\$ 27,174,135</u>

(concluded)

CITY OF LOCKHART, TEXAS

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

For the year ended September 30, 2018

	Business-type Activities		
	Electric	Water	Wastewater
OPERATING REVENUES			
Charges for services	\$ 12,158,889	\$ 3,226,960	\$ 2,339,875
Miscellaneous	79,480	109,729	-
Total operating revenues	<u>12,238,369</u>	<u>3,336,689</u>	<u>2,339,875</u>
OPERATING EXPENSES			
Personnel services	1,090,324	357,625	278,526
Contracts and services	187,182	26,789	29,362
Materials and supplies	54,625	33,959	16,071
Maintenance and repairs	182,359	236,678	187,080
Power, water, and water treatment	7,206,538	1,909,180	478,675
Depreciation	316,610	514,924	235,057
Miscellaneous	71,556	5,937	898
Total operating expenses	<u>9,109,194</u>	<u>3,085,092</u>	<u>1,225,669</u>
Operating income (loss) before nonoperating revenues (expenses) and transfers	3,129,175	251,597	1,114,206
NONOPERATING REVENUES (EXPENSES)			
Investment income	36,660	151,465	32,981
Impact fees	-	134,272	110,289
Gain (loss) on disposition of capital assets	19,285	436	367
Noncapital grants and contributions	-	-	-
Interest expense	(22,844)	(343,009)	(55,397)
Net nonoperating revenues (expenses)	<u>33,101</u>	<u>(56,836)</u>	<u>88,240</u>
Income before transfers	3,162,276	194,761	1,202,446
Transfers			
Transfers out	(2,194,242)	(58,448)	(589,373)
Total transfers	<u>(2,194,242)</u>	<u>(58,448)</u>	<u>(589,373)</u>
Change in net position	968,034	136,313	613,073
Net position - beginning, as restated	<u>4,871,755</u>	<u>9,188,844</u>	<u>6,788,917</u>
Net position - ending	<u>\$ 5,839,789</u>	<u>\$ 9,325,157</u>	<u>\$ 7,401,990</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>
\$ 1,327,600	\$ 1,760,302	\$ 20,813,626
110,574	19,943	319,726
<u>1,438,174</u>	<u>1,780,245</u>	<u>21,133,352</u>
-	230,755	1,957,230
1,205,276	1,227,126	2,675,735
181	8,332	113,168
13,050	31,733	650,900
-	-	9,594,393
115,999	62,004	1,244,594
-	1,291	79,682
<u>1,334,506</u>	<u>1,561,241</u>	<u>16,315,702</u>
103,668	219,004	4,817,650
5,848	9,147	236,101
-	-	244,561
-	3,510	23,598
4,385	20,540	24,925
-	-	(421,250)
<u>10,233</u>	<u>33,197</u>	<u>107,935</u>
113,901	252,201	4,925,585
-	(252,591)	(3,094,654)
-	(252,591)	(3,094,654)
113,901	(390)	1,830,931
<u>2,185,604</u>	<u>2,308,084</u>	<u>25,343,204</u>
<u>\$ 2,299,505</u>	<u>\$ 2,307,694</u>	<u>\$ 27,174,135</u>

CITY OF LOCKHART, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2018

	Business-type Activities		
	Electric	Water	Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 12,103,809	\$ 3,278,712	\$ 2,331,976
Cash payments to suppliers for goods and services	(7,997,083)	(2,232,430)	(1,007,094)
Cash payments to employees for services	(1,006,765)	(336,124)	(253,048)
Net cash provided by operating activities	<u>3,099,961</u>	<u>710,158</u>	<u>1,071,834</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Increase (decrease) in customer deposits	15,488	20,525	-
Noncapital grants and contributions	-	-	-
Impact fees received	-	134,272	110,589
Transfers out to other funds	(2,194,242)	(58,448)	(589,373)
Net cash used by noncapital financing activities	<u>(2,178,754)</u>	<u>96,349</u>	<u>(478,784)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Acquisition of capital assets	(668,058)	(611,582)	(274,937)
Proceeds from sale of capital assets	19,285	436	367
Contractual settlement received	-	253,469	-
Principal paid on capital debt	(177,693)	(475,367)	(85,968)
Interest paid on capital debt	(25,692)	(362,273)	(57,302)
Net cash used by capital financing activities	<u>(852,158)</u>	<u>(1,195,317)</u>	<u>(417,840)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	36,660	151,465	32,981
Net cash provided (used) by investing activities	<u>36,660</u>	<u>151,465</u>	<u>32,981</u>
Net increase (decrease) in cash and cash equivalents	105,709	(237,345)	208,191
Cash and cash equivalents at beginning of year	2,214,006	9,555,525	2,127,704
Cash and cash equivalents at end of year	<u>\$ 2,319,715</u>	<u>\$ 9,318,180</u>	<u>\$ 2,335,895</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>
\$ 1,327,848	\$ 1,758,373	\$ 20,800,718
(1,205,823)	(1,263,946)	(13,706,376)
-	(216,677)	(1,812,614)
<u>122,025</u>	<u>277,750</u>	<u>5,281,728</u>
-	25	36,038
4,385	20,540	24,925
-	-	244,861
-	(252,591)	(3,094,654)
<u>4,385</u>	<u>(232,026)</u>	<u>(2,788,830)</u>
-	(22,570)	(1,577,147)
-	3,510	23,598
-	-	253,469
(17,392)	-	(756,420)
-	-	(445,267)
<u>(17,392)</u>	<u>(19,060)</u>	<u>(2,501,767)</u>
5,848	9,147	236,101
<u>5,848</u>	<u>9,147</u>	<u>236,101</u>
114,866	35,811	227,232
<u>456,802</u>	<u>562,182</u>	<u>14,916,219</u>
<u>\$ 571,668</u>	<u>\$ 597,993</u>	<u>\$ 15,143,451</u>

(continued)

CITY OF LOCKHART, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2018

	Business-type Activities		
	Electric	Water	Wastewater
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 3,129,175	\$ 251,597	\$ 1,114,206
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	316,610	514,924	235,057
Change in assets and liabilities:			
(Increase) decrease in receivables	(134,560)	(57,977)	8,646
(Increase) decrease in prepaid expenses	(14,981)	-	(149)
(Increase) decrease in inventory	(70,892)	-	-
(Increase) decrease in deferred outflow related to pension	140,779	51,193	25,596
(Increase) decrease in deferred outflow related to OPEB	(2,935)	(1,067)	(534)
Increase (decrease) in accounts payable	(203,572)	(19,887)	(311,404)
Increase (decrease) in payroll related payables	10,204	3,239	1,401
Increase (decrease) in due to other governments	(5,378)	-	-
Increase (decrease) in unearned revenue	-	-	-
Increase (decrease) in accrued compensated absences	8,827	(5,203)	(1,466)
Increase (decrease) in net pension liability	(204,320)	(74,298)	(37,148)
Increase (decrease) in OPEB liability	49,230	17,902	22,761
Increase (decrease) in deferred inflow related to pension	81,774	29,735	14,868
Net cash provided by operating activities	\$ 3,099,961	\$ 710,158	\$ 1,071,834

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>
\$ 103,668	\$ 219,004	\$ 4,817,650
115,999	62,004	1,244,594
(110,326)	(20,722)	(314,939)
-	-	(15,130)
-	-	(70,892)
-	25,596	243,164
-	(534)	(5,070)
12,684	4,536	(517,643)
-	1,054	15,898
-	-	(5,378)
-	(1,150)	(1,150)
-	1,291	3,449
-	(37,148)	(352,914)
-	8,951	98,844
-	14,868	141,245
<u>\$ 122,025</u>	<u>\$ 277,750</u>	<u>\$ 5,281,728</u>

(concluded)

CITY OF LOCKHART, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2018

	Private Purpose Trust	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 1,739	\$ 20,304
Total assets	<u>1,739</u>	<u>\$ 20,304</u>
LIABILITIES		
Due to others	-	\$ 20,304
Total liabilities	<u>-</u>	<u>\$ 20,304</u>
NET POSITION		
Held for various purposes	<u>\$ 1,739</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, 2018

	Private Purpose Trust
ADDITIONS	
Investment income	\$ 27
Total additions	<u>27</u>
DEDUCTIONS	
Change in net position	<u>-</u>
Net position - beginning	<u>1,712</u>
Net position - ending	<u>\$ 1,739</u>

The accompanying notes are an integral part of this statement.

INDEX

Note		Page
1	Summary of Significant Accounting Policies	32
2	Stewardship, Compliance, and Accountability.....	40
3	Deposits and Investments.....	40
4	Receivables.....	41
5	Due from Other Governments.....	42
6	Capital Assets.....	43
7	Defined Benefit Pension Plan.....	44
8	Supplemental Death Benefit Plan (OPEB).....	49
9	Retiree Health Benefit Plan (OPEB).....	52
10	Long-Term Debt.....	55
11	Conduit Debt Obligations.....	60
12	Contractual Settlement.....	60
13	Risk Management	60
14	Related Party Transactions.....	61
15	Contingencies and Commitments	61
16	Interfund Receivables, Payables, and Transfers.....	62
17	Fund Balances.....	63
18	Tax Abatements and Rebates.....	63
19	Restatement of Previously Issued Financial Statements	64
20	Lockhart Economic Development Corporation.....	65

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, 2018.

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.

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

B. Government-wide and Fund Financial Statements - (Continued)

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.

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 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:

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.

Capital Projects Funds - These funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary 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.

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.

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

D. Budgets and Budgetary Accounting

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.

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.
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.

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

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, 2018, 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, 2018.

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 two 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 other item that qualifies for reporting as a deferred inflow of resources is calculated in the actuarial pension study required by GASB No. 68. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

L. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's pension liability is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company (GRS), in compliance with GASB No. 68.

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

Budgetary Compliance

Budgetary compliance is monitored at the departmental level in the General Fund and at the fund level in the Debt Service Fund. There were several situations of expenditures (General Fund at the function level) exceeding the amount appropriated during the fiscal year 2017-2018.

<u>Fund/Department</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Negative Variance</u>
General Fund			
Public Safety	\$ 4,908,827	\$ 4,978,250	\$ (69,423)
Public Works	1,491,447	1,593,994	(102,547)
Health and welfare	10,682	11,396	(714)
Debt Service Fund	1,085,477	1,085,677	(200)

These over expenditures were funded by available fund balances in the respective funds.

NOTE 3: DEPOSITS AND INVESTMENTS

As of September 30, 2018, the City had the following investments:

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Weighted Average Maturity (Days)</u>
Public Funds Investment Pools		
TexPool	\$ 8,443,437	28
MBIA Texas CLASS	11,001,064	52
TexStar	<u>8,170,873</u>	30
Total	<u>\$ 27,615,374</u>	

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.

NOTE 3: DEPOSITS AND INVESTMENTS - (Continued)

B. Credit Risk

It is the City's policy to limit its investments to those with ratings of not less than A or its equivalent. The City's investments in the public funds investment pools include those with TexPool, MBIA Texas CLASS and TexStar. The 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, 2018.

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, 2018, 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:

	General	Electric	Water	Wastewater	EMS	Nonmajor Bus.-type Funds	Nonmajor Govt. Funds	Total
Receivables:								
Ad valorem taxes	\$ 341,349	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,382	\$ 410,731
Franchise taxes	66,902	-	-	-	-	-	6,238	73,140
Municipal crt fines	1,450,367	-	-	-	-	-	95,198	1,545,565
Accounts	-	2,117,820	557,938	356,417	3,756,024	269,338	-	7,057,537
Occupancy taxes	-	-	-	-	-	-	20,038	20,038
Other	263,389	-	-	229,279	-	-	98,247	590,915
Gross receivables	2,122,007	2,117,820	557,938	585,696	3,756,024	269,338	289,103	9,697,926
Less: Allowance for uncollectibles	(1,401,436)	(51,056)	(22,495)	(12,975)	(2,217,913)	(9,948)	(94,083)	(3,809,906)
Net total receivables	\$ 720,571	\$ 2,066,764	\$ 535,443	\$ 572,721	\$ 1,538,111	\$ 259,390	\$ 195,020	\$ 5,888,020

NOTE 4: RECEIVABLES - (Continued)

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, 2018, 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	\$ 286,688	\$ -	\$ 286,688
Charges for services	253,873	-	253,873
Nonmajor Funds			
Ad valorem taxes	58,269	-	58,269
Charges for services	<u>16,185</u>	<u>-</u>	<u>16,185</u>
	<u>\$ 615,015</u>	<u>\$ -</u>	<u>\$ 615,015</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, 2018:

	<u>General</u>
Sales taxes	\$ <u>295,638</u>
	<u>\$ 295,638</u>

NOTE 6: CAPITAL ASSETS

The capital asset activity of the City was as follows for the year ended September 30, 2018:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 1,488,954	\$ 98,440	\$ -	\$ 1,587,394
Construction in progress	608,655	896,683	1,408,162	97,176
Total capital assets not being depreciated	<u>2,097,609</u>	<u>995,123</u>	<u>1,408,162</u>	<u>1,684,570</u>
Capital assets, being depreciated				
Machinery and equipment	6,344,338	447,256	307,885	6,483,709
Buildings	11,788,939	179,560	-	11,968,499
Infrastructure	75,198,737	1,408,162	-	76,606,899
Total capital assets being depreciated	<u>93,332,014</u>	<u>2,034,978</u>	<u>307,885</u>	<u>95,059,107</u>
Less accumulated depreciation for				
Machinery and equipment	5,210,425	265,225	307,885	5,167,765
Buildings	4,121,580	265,546	-	4,387,126
Infrastructure	62,814,623	1,596,654	-	64,411,277
Total accumulated depreciation	<u>72,146,628</u>	<u>2,127,425</u>	<u>307,885</u>	<u>73,966,168</u>
Total capital assets being depreciated, net	<u>21,185,386</u>	<u>(92,447)</u>	<u>-</u>	<u>21,092,939</u>
Governmental activities capital assets, net	<u>\$ 23,282,995</u>	<u>\$ 902,676</u>	<u>\$ 1,408,162</u>	<u>\$ 22,777,509</u>
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 574,710	\$ -	\$ -	\$ 574,710
Construction in progress	681,574	524,526	378,905	827,195
Total capital assets not being depreciated	<u>1,256,284</u>	<u>524,526</u>	<u>378,905</u>	<u>1,401,905</u>
Capital assets, being depreciated				
Machinery and equipment	6,141,196	662,343	197,904	6,605,635
Buildings and improvements	4,500,538	-	-	4,500,538
Infrastructure	37,799,767	876,817	-	38,676,584
Total capital assets being depreciated	<u>48,441,501</u>	<u>1,539,160</u>	<u>197,904</u>	<u>49,782,757</u>
Less accumulated depreciation for				
Machinery and equipment	5,416,498	306,742	197,904	5,525,336
Buildings and improvements	3,037,611	41,684	-	3,079,295
Infrastructure	19,168,417	896,168	-	20,064,585
Total accumulated depreciation	<u>27,622,526</u>	<u>1,244,594</u>	<u>197,904</u>	<u>28,669,216</u>
Total capital assets being depreciated, net	<u>20,818,975</u>	<u>294,566</u>	<u>-</u>	<u>21,113,541</u>
Business-type activities capital assets, net	<u>\$ 22,075,259</u>	<u>\$ 819,092</u>	<u>\$ 378,905</u>	<u>\$ 22,515,446</u>

NOTE 6: CAPITAL ASSETS - (Continued)

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

Governmental activities

General government	\$ 105,051
Public safety	229,478
Public works	1,678,430
Health	4,930
Parks and recreation	<u>109,536</u>
Total depreciation expense - governmental activities	<u>\$ 2,127,425</u>

Business-type activities

Electric	\$ 316,610
Water	514,924
Wastewater	235,057
EMS	115,999
Solid Waste	9,186
Airport	<u>52,818</u>
Total depreciation expense - business-type activities	<u>\$ 1,244,594</u>

NOTE 7: DEFINED BENEFIT PENSION PLAN

Plan Description

The City participates as one of 883 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.tmr.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.

66

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 2018 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, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	75
Inactive employees entitled to but not yet receiving benefits	107
Active employees	<u>134</u>
	<u>316</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 13.06% and 13.21% in calendar years 2017 and 2018, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2018 were \$829,948, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2017, 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, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5%
Overall Payroll Growth	3.0%
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%. 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.

Actuarial assumptions used in the December 31, 2017 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. 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 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.35%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.90%
Real Return	10.00%	3.80%
Real Estate	10.00%	4.50%
Absolute Return	10.00%	3.75%
Private Equity	5.00%	7.50%
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)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2016	\$ 30,506,229	\$ 25,232,705	\$ 5,273,524
Changes for the year:			
Service cost	803,650	-	803,650
Interest	2,050,665	-	2,050,665
Difference between expected and actual experience	(95,374)	-	(95,374)
Change of assumptions	-	-	-
Contributions - Employer	-	779,767	(779,767)
Contributions - Employee	-	358,239	(358,239)
Net investment income	-	3,497,425	(3,497,425)
Benefit payments, including refunds of employee contributions	(1,055,658)	(1,055,658)	-
Administrative expense	-	(18,124)	18,124
Other changes	-	(918)	918
Net changes	<u>1,703,283</u>	<u>3,560,731</u>	<u>(1,857,448)</u>
Balance at 12/31/2017	<u>\$ 32,209,512</u>	<u>\$ 28,793,436</u>	<u>\$ 3,416,076</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:	\$8,134,128	\$3,416,076	(\$418,642)

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, 2018, the City recognized pension expense of \$995,708.

At September 30, 2018, 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	\$ 202,335	\$ 68,202
Changes in actuarial assumptions	28,778	-
Difference between projected and actual investment earnings	-	729,684
Contributions subsequent to the measurement date	629,382	-
Total	\$ 860,495	\$ 797,886

\$629,382 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
2018	\$ 192,595
2019	(27,586)
2020	(372,937)
2021	(358,842)
2022	-
Thereafter	-
Total	(\$566,770)

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, 2017 valuation and measurement date, the following is the number of members in the plan:

Inactive employees currently receiving benefits	54
Inactive employees entitled to but not yet receiving benefits	23
Active employees	<u>134</u>
Total	<u>211</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%

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, 2017 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	3.31%; based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2017
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.

Implementing GASB Statement No. 75

In the year of implementation (fiscal year ended September 30, 2018), the City made a prior period adjustment for the Total OPEB Liability as of the 12/31/16 measurement date and recorded a deferred outflow of resources for contributions recorded by the City (retiree portion of SDB rate only) from December 31, 2016 to September 30, 2017. TMRs elected not to calculate other deferrals as of the December 31, 2016 measurement date.

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 12/31/2016	\$ 345,259
Changes for the year:	
Service cost	15,524
Interest	13,276
Change of benefit terms	-
Difference between expected and actual experience	-
Change of assumptions	31,482
Benefit payments	<u>(3,582)</u>
Net changes	<u>56,700</u>
Balance at 12/31/2017	<u>\$ 401,959</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 3.31%, 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 (2.31%) or 1-percentage-point higher (4.31%) than the current rate:

	1.0% Decrease in Discount Rate (2.31%)	Discount Rate (3.31%)	1.0% Increase in Discount Rate (4.31%)
City's Total OPEB Liability:	\$482,576	\$401,959	\$339,202

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

For the year ended September 30, 2018, the City recognized OPEB expense of \$34,866.

At September 30, 2018, 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	25,416	-
Contributions subsequent to the measurement date	11,912	-
Total	\$ 37,328	\$ -

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
2018	\$ 6,066
2019	6,066
2020	6,066
2021	6,066
2022	1,152
Thereafter	-
Total	\$25,416

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 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

Funded Status

As of September 30, 2018, the most recent valuation date, the Total OPEB Liability for benefits was \$390,842, 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%

Implementing GASB Statement No. 75

In the year of implementation (fiscal year ended September 30, 2018), the City made a prior period adjustment for the Total OPEB Liability as of September 30, 2017.

Changes in Total OPEB Liability

The following details the changes in the Total OPEB liability:

Balance at 9/30/17	\$	383,961
Changes for the year:		
Service cost		11,326
Interest		15,641
Change of benefit terms		-
Difference between expected and actual experience		-
Change of assumptions		-
Benefit payments		(20,086)
Net changes		<u>6,881</u>
Balance at 9/30/18	\$	<u>390,842</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:	\$353,307	\$390,842	\$434,724

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 (5.06%) or 1-percentage-point higher (4.31%) 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:	\$359,684	\$390,842	\$425,286

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

For the year ended September 30, 2018, the City recognized OPEB expense of \$29,967.

At September 30, 2018, 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 December 31:	OPEB Expense Amount
2018	\$ -
2019	-
2020	-
2021	-
2022	-
Thereafter	-
Total	\$ -

NOTE 10: LONG-TERM DEBT**A. Changes in Long-Term Liabilities**

Long-term liability activity for the year ended September 30, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Bonds and certificates payable					
Certificates of obligation	\$ 8,794,235	\$ -	\$ (601,470)	\$ 8,192,765	\$ 484,990
General obligation bonds	<u>4,887,052</u>	<u>-</u>	<u>-</u>	<u>4,887,052</u>	<u>205,810</u>
Total bonds and certificates payable	<u>13,681,287</u>	<u>-</u>	<u>(601,470)</u>	<u>13,079,817</u>	<u>690,800</u>
Bond premium	<u>774,293</u>	<u>-</u>	<u>(61,511)</u>	<u>712,782</u>	<u>-</u>
Compensated absences	<u>427,756</u>	<u>341,230</u>	<u>(327,880)</u>	<u>441,106</u>	<u>110,277</u>
OPEB liability	<u>590,668</u>	<u>51,501</u>	<u>-</u>	<u>642,169</u>	<u>-</u>
Net pension liability	<u>4,271,555</u>	<u>-</u>	<u>(1,504,534)</u>	<u>2,767,021</u>	<u>-</u>
Total governmental activity long-term liabilities	<u>\$ 19,745,559</u>	<u>\$ 392,731</u>	<u>\$ (2,495,395)</u>	<u>\$ 17,642,895</u>	<u>\$ 801,077</u>
Business-type activities					
Bonds and certificates payable					
Certificates of obligation	\$ 8,850,765	\$ -	\$ (243,530)	\$ 8,607,235	\$ 255,010
General obligation bonds	<u>1,762,948</u>	<u>-</u>	<u>(120,000)</u>	<u>1,642,948</u>	<u>69,190</u>
Total bonds and certificates payable	<u>10,613,713</u>	<u>-</u>	<u>(363,530)</u>	<u>10,250,183</u>	<u>324,200</u>
Bond premium	<u>468,308</u>	<u>-</u>	<u>(32,261)</u>	<u>436,047</u>	<u>-</u>
State infrastructure note	<u>3,014,787</u>	<u>-</u>	<u>(155,560)</u>	<u>2,859,227</u>	<u>159,449</u>
Capital leases payable	<u>219,939</u>	<u>121,741</u>	<u>(237,330)</u>	<u>104,350</u>	<u>17,392</u>
Compensated absences	<u>54,994</u>	<u>72,368</u>	<u>(68,919)</u>	<u>58,443</u>	<u>58,443</u>
OPEB liability	<u>65,599</u>	<u>10,773</u>	<u>-</u>	<u>76,372</u>	<u>-</u>
Net pension liability	<u>1,001,969</u>	<u>-</u>	<u>(352,915)</u>	<u>649,054</u>	<u>-</u>
Total business-type activity long-term liabilities	<u>\$ 15,439,309</u>	<u>\$ 204,882</u>	<u>\$ (1,210,515)</u>	<u>\$ 14,433,676</u>	<u>\$ 559,484</u>

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, 2018, 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%.	\$ 135,000
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%.	744,000
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%.	7,313,765
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>4,887,052</u>
	<u>\$ 13,079,817</u>

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

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 690,800	\$ 483,834	\$ 1,174,634
2020	727,162	451,268	1,178,430
2021	745,722	418,058	1,163,780
2022	903,038	382,584	1,285,622
2023	947,672	348,209	1,295,881
2024-2028	5,271,393	1,220,225	6,491,618
2029-2033	2,620,785	463,472	3,084,257
2034-2035	<u>1,173,245</u>	<u>61,238</u>	<u>1,234,483</u>
	<u>\$ 13,079,817</u>	<u>\$ 3,828,888</u>	<u>\$ 16,908,705</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, 2018, 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%.	\$ 56,000
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%.	8,551,235
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>1,642,948</u>
	<u>\$ 10,250,183</u>

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

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 324,200	\$ 351,136	\$ 675,336
2020	337,838	342,891	680,729
2021	344,278	334,590	678,868
2022	606,962	324,041	931,003
2023	637,328	297,316	934,644
2024-2028	3,563,607	1,110,513	4,674,120
2029-2033	3,064,215	541,890	3,606,105
2034-2035	<u>1,371,755</u>	<u>71,599</u>	<u>1,443,354</u>
	<u>\$ 10,250,183</u>	<u>\$ 3,373,976</u>	<u>\$ 13,624,159</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>
2019	\$ 159,449	\$ 71,481	\$ 230,930
2020	163,435	67,495	230,930
2021	167,521	63,409	230,930
2022	171,709	59,221	230,930
2023	176,002	54,928	230,930
2024-2028	948,252	206,398	1,154,650
2029-2033	1,072,859	81,788	1,154,647
	<u>\$ 2,859,227</u>	<u>\$ 604,720</u>	<u>\$ 3,463,947</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	(11,594)
	<u>\$ 110,147</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, 2018, are as follows:

<u>Year Ending September 30</u>	<u>Business-type Activities</u>
2019	\$ 17,392
2020	17,392
2021	17,392
2022	17,392
2023	17,391
Thereafter	<u>17,391</u>
Total minimum lease payments	104,350
Less: Amount representing interest	-
Present value of minimum lease payments	<u>\$ 104,350</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	\$ 3,500
2006A Combination Certificates of Obligation	20,900
2015 Combination Certificates of Obligation	325,700
2016 General Obligation Refunding Bonds	<u>130,600</u>
	<u>\$ 480,700</u>

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

<u>Fund</u>	<u>Cash</u>
Debt Service I & S Fund	\$ 240,674
Water Utility Fund	<u>240,026</u>
	<u>\$ 480,700</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, 2018, there was \$3,955,000 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.

Lockhart Wastewater Treatment Plant

GBRA entered into a contract on June 15, 1994 with the City whereby GBRA would construct a Regional Wastewater Treatment System to receive, treat and dispose of wastewater collected by the City's collection system.

GBRA issued \$4,025,000 of Contract Revenue Refunding Bonds in the fiscal year 2010 for the treatment system. As of September 30, 2018 there were no refunding bonds outstanding. Under the provisions of the contract, the City has agreed to pay GBRA through 2018 the following:

(a.) all operation and maintenance expenses of the Regional Wastewater Treatment System; (b.) amounts necessary to pay debt service on the bonds; (c.) amounts necessary to establish and maintain funds established by the resolution authorizing the issuance of the bonds; and (d.) amounts necessary to restore any deficiency in funds established by the resolution.

NOTE 12: CONTRACTUAL SETTLEMENT

The City reached a settlement agreement with a vendor during the 2006 fiscal year in a dispute over the performance of equipment used in its utility system infrastructure. Under the settlement agreement, the vendor agreed to pay the City a total of \$3,210,173 in multiple installments extending through the year 2018. As of September 30, 2018, the City had received \$3,210,173 in scheduled installment payments and therefore the receivable is \$0 at September 30, 2018.

NOTE 13: 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, 2018, 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.

NOTE 14: RELATED PARTY TRANSACTIONS

During the fiscal year ending September 30, 2018, LEDC (a discretely presented component unit of the City) transferred a total of \$88,321 to the City. The City's Debt Service Fund, a nonmajor governmental fund, received \$48,093 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 15: CONTINGENCIES AND COMMITMENTS

A. Litigation

The City was not involved in any significant litigation as of September 30, 2018, 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, 2018, 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.

NOTE 16: 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, 2018, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	<u>\$ 25,974</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>General</u>	<u>Nonmajor Govt.</u>	<u>Total</u>
General	\$ -	\$ 95,613	\$ 95,613
Nonmajor govt.	429,633	68,700	498,333
Electric	2,189,609	4,633	2,194,242
Water	58,448	-	58,448
Wastewater	402,779	186,594	589,373
Nonmajor business-type	252,591	-	252,591
	<u>\$ 3,333,060</u>	<u>\$ 355,540</u>	<u>\$3,688,600</u>

NOTE 17: FUND BALANCES

The following is a detail of the governmental fund balances as of September 30, 2018:

	Governmental Fund Balances				Total
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Unassigned</u>	
General					
Prepaid expenditures	\$ 37,870	\$ -	\$ -	\$ -	\$ 37,870
Inventory	11,563	-	-	-	11,563
Sidewalks	-	-	17,596	-	17,596
Revolving loan	-	-	263,827	-	263,827
Industrial park	-	-	272,454	-	272,454
Unassigned	-	-	-	4,451,131	4,451,131
2015 Cert. of Oblig.					
Various capital projects	-	4,239,670	-	-	4,239,670
Nonmajor Governmental					
Prepaid expenditures	2,765	-	-	-	2,765
Various capital projects	-	291,787	-	-	291,787
General government	-	35,067	-	-	35,067
Tourism	-	2,721	-	-	2,721
Public safety	-	227,044	-	-	227,044
Public works	-	903,976	-	-	903,976
Debt service	-	240,674	-	-	240,674
	<u>\$ 52,198</u>	<u>\$ 5,940,939</u>	<u>\$ 553,877</u>	<u>\$ 4,451,131</u>	<u>\$10,998,145</u>

NOTE 18: 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, 2018, the City of Lockhart rebated sales taxes totaling \$1,278 under this program. The City also rebated property taxes in fiscal year 2018 totaling \$17,703. The following tax rebate agreements exceeded 10 percent of the total amount rebated:

\$1,278 (or 50%) was rebated to a glass and mirror manufacturing company for purchasing land and building a manufacturing and distribution facility. \$17,703 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) over the last three years and 100% on furniture, fixtures and equipment.

NOTE 19: RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

The GASB has issued the following statement which became effective for fiscal year 2018:

GASB Statement No. 75: Accounting and Financial Reporting for Post-employment Benefits Other than Pensions replaces previous authoritative literature. For plans that do not have formal trusts, GASB Statement No. 75 requires state and local government employers to recognize the total OPEB liability and the related OPEB expense on their financial statements along with the related deferred outflows and inflows of resources. In addition to the deferred outflows/inflows associated with plan experience and assumption changes, the standard requires the benefit payments and administrative costs incurred subsequent to the measurement date and before the end of the employer's reporting period to be reported as a deferred outflow of resources.

The implementation of GASB No. 75 resulted in the restatement of beginning net position for the recording of the beginning OPEB liability and the beginning deferred outflow for contributions made after the measurement date. Prospectively applying the change results in the adjustments below.

In addition, there were restatements to the General Fund unassigned fund balance and the Wastewater Fund unrestricted net position at September 30, 2017. The changes are listed below.

	Government-wide		Fund Level				
	Governmental Activities	Business-type Activities	General	Electric	Water	Wastewater	Sanitation
Net position at September 30, 2017, as previously reported	\$ 17,190,031	\$ 25,160,951	\$4,541,515	\$4,908,561	\$9,202,227	\$ 6,549,783	\$ 714,319
Recording of unavailable revenue on charges for services	-	-	(74,320)	-	-	-	-
Recording of GBRA receivable	-	245,824	-	-	-	245,824	-
Recording of Total OPEB - Health liability as of September 30, 2017	(311,006)	-	-	-	-	-	-
Recording of Total OPEB - SDB liability as of September 30, 2017	(279,660)	(65,599)	-	(37,978)	(13,810)	(6,906)	(6,905)
Deferral for OPEB - SDB contributions made after the measurement date	8,622	2,028	-	1,172	427	216	213
Net position at September 30, 2017, as restated	<u>\$ 16,607,987</u>	<u>\$ 25,343,204</u>	<u>\$4,467,195</u>	<u>\$4,871,755</u>	<u>\$9,188,844</u>	<u>\$ 6,788,917</u>	<u>\$ 707,627</u>

NOTE 20: 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.

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, 2018, 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.

NOTE 20: LOCKHART ECONOMIC DEVELOPMENT CORPORATION - (Continued)

B. Summary of Significant Accounting Policies - (Continued)

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:

Major 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.

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.

NOTE 20: LOCKHART ECONOMIC DEVELOPMENT CORPORATION - (Continued)

B. Summary of Significant Accounting Policies - (Continued)

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.

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, 2018:

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, 2018, 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.

NOTE 20: LOCKHART ECONOMIC DEVELOPMENT CORPORATION - (Continued)

C. Deposits and Investments - (Continued)

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, 2018, 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, 2018, and for the year then ended, the City and LEDC were not exposed to any custodial credit risk.

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, 2018, was \$147,819. 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, 2018, 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.

NOTE 20: LOCKHART ECONOMIC DEVELOPMENT CORPORATION - (Continued)

G. Capital Assets

The LEDC's capital asset activity for the year ended September 30, 2018 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	73,440	12,240	-	85,680
Total accumulated depreciation	<u>73,440</u>	<u>12,240</u>	<u>-</u>	<u>85,680</u>
Total capital assets being depreciated, net	<u>538,560</u>	<u>(12,240)</u>	<u>-</u>	<u>526,320</u>
Discretely presented component unit capital assets, net	<u>\$ 646,560</u>	<u>\$ (12,240)</u>	<u>\$ -</u>	<u>\$ 634,320</u>

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

Discretely presented component unit	
General government	<u>\$ 12,240</u>

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	\$ 201,905	\$ -	\$ (17,736)	\$ 184,169	\$ 19,040
Compensated absences	2,684	5,133	(6,791)	1,026	1,026
Total discretely presented component unit	<u>\$ 204,589</u>	<u>\$ 5,133</u>	<u>\$ (24,527)</u>	<u>\$ 185,195</u>	<u>\$ 20,066</u>

NOTE 20: LOCKHART ECONOMIC DEVELOPMENT CORPORATION - (Continued)

H. Long-Term Debt - (Continued)

Maturities of long term-debt is as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 19,040	\$ 9,213	\$ 28,253
2020	19,964	8,337	28,301
2021	20,933	7,413	28,346
2022	21,950	6,443	28,393
2023	23,015	5,427	28,442
2024-2027	<u>79,267</u>	<u>10,541</u>	<u>89,808</u>
	<u>\$ 184,169</u>	<u>\$ 47,374</u>	<u>\$ 231,543</u>

I. Contingencies and Commitments

1. Litigation

LEDC was not involved in any litigation as of September 30, 2018, 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, 2018, the Lockhart Economic Development Corporation rebated sales taxes totaling \$639 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 \$639.

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, 2018

	Budget <u>Original / Final</u>	Actual <u>Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 3,525,392	\$ 3,642,474	\$ 117,082
Sales and other taxes	1,871,048	2,013,845	142,797
Fines, fees, and forfeitures	283,164	364,423	81,259
Licenses and permits	110,499	192,622	82,123
Intergovernmental and grants	211,850	323,298	111,448
Investment	25,352	89,701	64,349
Miscellaneous	148,772	263,684	114,912
Total revenues	<u>6,176,077</u>	<u>6,890,047</u>	<u>713,970</u>
EXPENDITURES			
Current			
General government	2,428,265	1,891,347	536,918
Public safety	4,908,827	4,978,250	(69,423)
Public works	1,491,447	1,593,994	(102,547)
Health and welfare	10,682	11,396	(714)
Culture and recreation	963,142	938,896	24,246
Capital outlay	374,158	126,365	247,793
Total expenditures	<u>10,176,521</u>	<u>9,540,248</u>	<u>636,273</u>
Excess (deficiency) of revenues over expenditures	(4,000,444)	(2,650,201)	1,350,243
OTHER FINANCING SOURCES (USES)			
Transfers in	3,289,429	3,333,060	43,631
Transfers out	(96,000)	(95,613)	387
Total other financing sources (uses)	<u>3,193,429</u>	<u>3,237,447</u>	<u>44,018</u>
Net change in fund balance	(807,015)	587,246	1,394,261
Fund balance - beginning, as restated	4,467,195	4,467,195	-
Fund balance - ending	<u>\$ 3,660,180</u>	<u>\$ 5,054,441</u>	<u>\$ 1,394,261</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	<u>(987,219)</u>	<u>(1,084,811)</u>	<u>(1,097,681)</u>
Net Change in Total Pension Liability	1,156,833	2,196,521	1,850,576
Total Pension Liability - Beginning	<u>25,302,299</u>	<u>26,459,132</u>	<u>28,655,653</u>
Total Pension Liability - Ending (a)	<u>\$ 26,459,132</u>	<u>\$ 28,655,653</u>	<u>\$ 30,506,229</u>
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	<u>(1,101)</u>	<u>(1,051)</u>	<u>(974)</u>
Net Change in Plan Fiduciary Net Position	1,264,698	2,517	1,550,334
Plan Fiduciary Net Position - Beginning	<u>22,415,156</u>	<u>23,679,854</u>	<u>23,682,371</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 23,679,854</u>	<u>\$ 23,682,371</u>	<u>\$ 25,232,705</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 2,779,278</u>	<u>\$ 4,973,282</u>	<u>\$ 5,273,524</u>
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 six years was not readily available. The City will compile the respective information over the next six years as provided by TMRS on a "measurement date" basis.

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

Measurement Year

2017

\$ 803,650
2,050,665
(95,374)
-

(1,055,658)

1,703,283

30,506,229

\$ 32,209,512

\$ 779,767
358,239
3,497,425

(1,055,658)

(18,124)

(918)

3,560,731

25,232,705

\$ 28,793,436

\$ 3,416,076

89.39%

\$ 5,970,653

57.21%

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 six fiscal years was not readily available. The City will compile the respective information over the next six fiscal years.

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



Fiscal Year
2018

\$ 829,948

(829,948)

\$ -

\$ 6,300,160

13.17%

CITY OF LOCKHART, TEXAS

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

	<u>Measurement Year</u>
	<u>2017</u>
Total OPEB Liability	
Service cost	\$ 15,524
Interest (on the total OPEB liability)	13,276
Change of benefit terms	-
Difference between expected and actual experience	-
Change of assumptions	31,482
Benefit payments	<u>(3,582)</u>
Net Change in Total Pension Liability	56,700
Total OPEB Liability - Beginning	<u>345,259</u>
Total OPEB Liability - Ending	<u>\$ 401,959</u>
Covered Payroll	\$ 5,970,653
Total OPEB Liability as a Percentage of Covered Payroll	6.73%

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

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

NOTE: Information for the prior nine years was not readily available. The City will compile the respective information over the next nine 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 CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
RETIREE HEALTHCARE
Last ten years

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

NOTE: Information for the prior nine years was not readily available. The City will compile the respective information over the next nine 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
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 September 30, 2018

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

There were several situations of expenditures exceeding the amounts appropriated during the fiscal year 2017-2018.

<u>Fund/Department</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Negative Variance</u>
General Fund			
Public Safety	\$ 4,908,827	\$ 4,978,250	\$ (69,423)
Public Works	1,491,447	1,593,994	(102,547)
Health and welfare	10,682	11,396	(714)

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

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	28 years
Asset Valuation Method	10 year Smoothed Market; 15% Soft Corridor
Inflation	2.5%
Salary Increases	3.50% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 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 BB.

Other Information

There were no benefit changes during the year.

CITY OF LOCKHART, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2018

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

CITY OF LOCKHART, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2018

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Capital Project Funds	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,080,731	\$ 240,674	\$ 337,437	\$ 1,658,842
Receivables (net)	136,751	58,269	-	195,020
Prepaid expenditures	10,339	-	-	10,339
Total assets	<u>\$ 1,227,821</u>	<u>\$ 298,943</u>	<u>\$ 337,437</u>	<u>\$ 1,864,201</u>
LIABILITIES				
Accounts payable	\$ 14,089	\$ -	\$ -	\$ 14,089
Due to other funds	25,974	-	-	25,974
Deposits	-	-	45,650	45,650
Total liabilities	<u>40,063</u>	<u>-</u>	<u>45,650</u>	<u>85,713</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	16,185	58,269	-	74,454
Total deferred inflows of resources	<u>16,185</u>	<u>58,269</u>	<u>-</u>	<u>74,454</u>
FUND BALANCES				
Nonspendable				
Prepaid expenditures	2,765	-	-	2,765
Restricted				
General government	35,067	-	-	35,067
Tourism	2,721	-	-	2,721
Public safety	227,044	-	-	227,044
Public works	903,976	-	-	903,976
Debt service	-	240,674	-	240,674
Various capital projects	-	-	291,787	291,787
Total fund balances	<u>1,171,573</u>	<u>240,674</u>	<u>291,787</u>	<u>1,704,034</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,227,821</u>	<u>\$ 298,943</u>	<u>\$ 337,437</u>	<u>\$ 1,864,201</u>

CITY OF LOCKHART, TEXAS

*COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2018*

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Capital Project Funds	Total
REVENUES				
Property taxes	\$ -	\$ 710,351	\$ -	\$ 710,351
Sales and other taxes	101,120	-	-	101,120
Fines, fees, and forfeitures	863,134	-	-	863,134
Intergovernmental and grants	135,326	-	-	135,326
Investment	16,016	10,840	5,681	32,537
Miscellaneous	-	59,612	-	59,612
Total revenues	<u>1,115,596</u>	<u>780,803</u>	<u>5,681</u>	<u>1,902,080</u>
EXPENDITURES				
Current				
General government	42,340	-	-	42,340
Public safety	234,269	-	-	234,269
Public works	133,411	-	-	133,411
Culture and recreation	10,835	-	-	10,835
Capital outlay	-	-	75,625	75,625
Debt service				
Principal retirement	-	601,470	-	601,470
Interest and fiscal charges	-	483,207	-	483,207
Paying agent and issue costs	-	1,000	-	1,000
Total expenditures	<u>420,855</u>	<u>1,085,677</u>	<u>75,625</u>	<u>1,582,157</u>
Excess (deficiency) of revenues over expenditures	694,741	(304,874)	(69,944)	319,923
OTHER FINANCING SOURCES (USES)				
Transfers in	95,613	259,927	-	355,540
Transfers out	(498,333)	-	-	(498,333)
Total other financing sources (uses)	<u>(402,720)</u>	<u>259,927</u>	<u>-</u>	<u>(142,793)</u>
Net change in fund balances	292,021	(44,947)	(69,944)	177,130
Fund balances - beginning, as restated	<u>879,552</u>	<u>285,621</u>	<u>361,731</u>	<u>1,526,904</u>
Fund balances - ending	<u>\$ 1,171,573</u>	<u>\$ 240,674</u>	<u>\$ 291,787</u>	<u>\$ 1,704,034</u>

CITY OF LOCKHART, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2018

	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	\$ 59,955	\$ 3,784	\$ 311	\$ 6,001	\$ 557,478	\$ 52,355
Receivables (net)	-	-	20,038	-	-	-
Prepaid expenditures	-	-	-	-	-	-
Total assets	\$ 59,955	\$ 3,784	\$ 20,349	\$ 6,001	\$ 557,478	\$ 52,355
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 10,049	\$ -	\$ -	\$ -
Due to other funds	-	-	7,579	-	-	-
Total liabilities	-	-	17,628	-	-	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted						
General government	-	-	-	6,001	-	-
Tourism	-	-	2,721	-	-	-
Public safety	59,955	3,784	-	-	-	-
Public works	-	-	-	-	557,478	52,355
Total fund balances	59,955	3,784	2,721	6,001	557,478	52,355
Total liabilities, deferred inflows and fund balances	\$ 59,955	\$ 3,784	\$ 20,349	\$ 6,001	\$ 557,478	\$ 52,355

<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>
\$ -	\$ 88,518	\$ 11,137	\$ 19,747	\$ 10,544	\$ 19,975	\$ 1,366
4,329	-	3,247	815	792	6,351	651
9,634	-	-	-	-	-	-
<u>\$ 13,963</u>	<u>\$ 88,518</u>	<u>\$ 14,384</u>	<u>\$ 20,562</u>	<u>\$ 11,336</u>	<u>\$ 26,326</u>	<u>\$ 2,017</u>
\$ 83	\$ 3,252	\$ -	\$ -	\$ -	\$ -	\$ -
7,491	-	-	-	-	-	-
<u>7,574</u>	<u>3,252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4,329	-	3,247	815	792	6,351	651
<u>4,329</u>	<u>-</u>	<u>3,247</u>	<u>815</u>	<u>792</u>	<u>6,351</u>	<u>651</u>
2,060	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	85,266	11,137	19,747	10,544	19,975	1,366
-	-	-	-	-	-	-
<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>\$ 13,963</u>	<u>\$ 88,518</u>	<u>\$ 14,384</u>	<u>\$ 20,562</u>	<u>\$ 11,336</u>	<u>\$ 26,326</u>	<u>\$ 2,017</u>

(continued)

CITY OF LOCKHART, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2018

	<u>Cable Education</u>	<u>Transportation System Improvmts</u>	<u>Drainage System Improvmts</u>	<u>Law Enforcement Education - Police</u>	<u>Total</u>
ASSETS					
Current assets					
Cash and cash equivalents	\$ 22,828	\$ 92,178	\$ 118,579	\$ 15,975	\$ 1,080,731
Receivables (net)	6,238	64,506	29,784	-	136,751
Prepaid expenditures	-	-	-	705	10,339
Total assets	<u>\$ 29,066</u>	<u>\$ 156,684</u>	<u>\$ 148,363</u>	<u>\$ 16,680</u>	<u>\$ 1,227,821</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 705	\$ 14,089
Due to other funds	-	-	10,904	-	25,974
Total liabilities	<u>-</u>	<u>-</u>	<u>10,904</u>	<u>705</u>	<u>40,063</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	16,185
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,185</u>
FUND BALANCES					
Nonspendable	-	-	-	705	2,765
Restricted					
General government	29,066	-	-	-	35,067
Tourism	-	-	-	-	2,721
Public safety	-	-	-	15,270	227,044
Public works	-	156,684	137,459	-	903,976
Total fund balances	<u>29,066</u>	<u>156,684</u>	<u>137,459</u>	<u>15,975</u>	<u>1,171,573</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 29,066</u>	<u>\$ 156,684</u>	<u>\$ 148,363</u>	<u>\$ 16,680</u>	<u>\$ 1,227,821</u>

(concluded)

CITY OF LOCKHART, TEXAS

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

NONMAJOR SPECIAL REVENUE FUNDS

September 30, 2018

	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	\$ -	\$ -	\$ 82,180	\$ -	\$ -	\$ -
Fines, fees, and forfeitures	-	64	-	-	136,763	95,619
Intergovernmental and grants	-	-	-	-	-	-
Investment	1,001	58	143	94	7,809	680
Total revenues	<u>1,001</u>	<u>122</u>	<u>82,323</u>	<u>94</u>	<u>144,572</u>	<u>96,299</u>
EXPENDITURES						
Current						
General government	-	-	31,345	-	-	-
Public safety	5,115	-	-	-	-	-
Public works	-	-	-	-	50,000	50,000
Culture and recreation	-	-	10,835	-	-	-
Total expenditures	<u>5,115</u>	<u>-</u>	<u>42,180</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Excess (deficiency) of revenues over expenditures	(4,114)	122	40,143	94	94,572	46,299
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(40,000)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(4,114)	122	143	94	94,572	46,299
Fund balances - beginning	64,069	3,662	2,578	5,907	462,906	6,056
Fund balances - ending	<u>\$ 59,955</u>	<u>\$ 3,784</u>	<u>\$ 2,721</u>	<u>\$ 6,001</u>	<u>\$ 557,478</u>	<u>\$ 52,355</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,911	-	4,439	810	1,109	8,724	968
-	133,191	-	-	-	-	-
-	2,200	159	302	155	237	14
<u>5,911</u>	<u>135,391</u>	<u>4,598</u>	<u>1,112</u>	<u>1,264</u>	<u>8,961</u>	<u>982</u>
-	-	-	-	-	-	-
11,382	212,912	4,180	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>11,382</u>	<u>212,912</u>	<u>4,180</u>	-	-	-	-
(5,471)	(77,521)	418	1,112	1,264	8,961	982
-	95,613	-	-	-	-	-
-	-	-	-	-	-	-
-	<u>95,613</u>	-	-	-	-	-
(5,471)	18,092	418	1,112	1,264	8,961	982
<u>7,531</u>	<u>67,174</u>	<u>10,719</u>	<u>18,635</u>	<u>9,280</u>	<u>11,014</u>	<u>384</u>
<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>

(continued)

111

CITY OF LOCKHART, TEXAS

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

NONMAJOR SPECIAL REVENUE FUNDS

September 30, 2018

	Cable Education	Transportation System Improvmts	Drainage System Improvmts	Law Enforcement Education - Police	Total
REVENUES					
Sales and other taxes	\$ 18,940	\$ -	\$ -	\$ -	\$ 101,120
Fines, fees, and forfeitures	-	417,534	191,193	-	863,134
Intergovernmental and grants	-	-	-	2,135	135,326
Investment	335	1,064	1,525	240	16,016
Total revenues	<u>19,275</u>	<u>418,598</u>	<u>192,718</u>	<u>2,375</u>	<u>1,115,596</u>
EXPENDITURES					
Current					
General government	9,858	1,137	-	-	42,340
Public safety	-	-	-	680	234,269
Public works	-	-	33,411	-	133,411
Culture and recreation	-	-	-	-	10,835
Total expenditures	<u>9,858</u>	<u>1,137</u>	<u>33,411</u>	<u>680</u>	<u>420,855</u>
Excess (deficiency) of revenues over expenditures	9,417	417,461	159,307	1,695	694,741
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	95,613
Transfers out	-	(390,000)	(68,333)	-	(498,333)
Total other financing sources (uses)	<u>-</u>	<u>(390,000)</u>	<u>(68,333)</u>	<u>-</u>	<u>(402,720)</u>
Net change in fund balances	9,417	27,461	90,974	1,695	292,021
Fund balances - beginning	19,649	129,223	46,485	14,280	879,552
Fund balances - ending	<u>\$ 29,066</u>	<u>\$ 156,684</u>	<u>\$ 137,459</u>	<u>\$ 15,975</u>	<u>\$ 1,171,573</u>

(concluded)

CITY OF LOCKHART, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
 September 30, 2018

	Clearfork Detention Basin	Clearfork Section 1 Sidewalk	Maple 2201 Trail Project	2009 Certificates of Obligation	Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ 21,964	\$ 16,614	\$ 15,000	\$ 283,859	\$ 337,437
Total assets	<u>\$ 21,964</u>	<u>\$ 16,614</u>	<u>\$ 15,000</u>	<u>\$ 283,859</u>	<u>\$ 337,437</u>
LIABILITIES					
Deposits	\$ 17,450	\$ 13,200	\$ 15,000	\$ -	\$ 45,650
Total liabilities	<u>17,450</u>	<u>13,200</u>	<u>15,000</u>	<u>-</u>	<u>45,650</u>
FUND BALANCES					
Restricted					
Various capital projects	4,514	3,414	-	283,859	291,787
Total fund balances	<u>4,514</u>	<u>3,414</u>	<u>-</u>	<u>283,859</u>	<u>291,787</u>
Total liabilities and fund balances	<u>\$ 21,964</u>	<u>\$ 16,614</u>	<u>\$ 15,000</u>	<u>\$ 283,859</u>	<u>\$ 337,437</u>

CITY OF LOCKHART, TEXAS

*COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS*

September 30, 2018

	Clearfork Detention Basin	Clearfork Section 1 Sidewalk	Maple 2201 Trail Project	2009 Certificates of Obligation	Total
REVENUES					
Investment	\$ 344	\$ 259	\$ -	\$ 5,078	\$ 5,681
Total revenues	<u>344</u>	<u>259</u>	<u>-</u>	<u>5,078</u>	<u>5,681</u>
EXPENDITURES					
Capital outlay	-	-	-	75,625	75,625
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,625</u>	<u>75,625</u>
Excess (deficiency) of revenues over expenditures	344	259	-	(70,547)	(69,944)
Fund balances - beginning	<u>4,170</u>	<u>3,155</u>	<u>-</u>	<u>354,406</u>	<u>361,731</u>
Fund balances - ending	<u>\$ 4,514</u>	<u>\$ 3,414</u>	<u>\$ -</u>	<u>\$ 283,859</u>	<u>\$ 291,787</u>

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, 2018

With comparative totals for the year ended September 30, 2017

	2018		Variance Positive (Negative)	2017
	Final Budget	Actual		Actual
REVENUES				
Taxes				
Ad valorem	\$ 685,808	\$ 710,351	\$ 24,543	\$ 692,161
Investment income	-	10,840	10,840	5,115
Miscellaneous	59,612	59,612	-	72,970
Total revenues	<u>745,420</u>	<u>780,803</u>	<u>35,383</u>	<u>770,246</u>
EXPENDITURES				
Debt service				
Principal retirement	601,470	601,470	-	587,160
Interest and fiscal charges	483,207	483,207	-	500,948
Paying agent fees and issue costs	800	1,000	(200)	1,200
Total expenditures	<u>1,085,477</u>	<u>1,085,677</u>	<u>(200)</u>	<u>1,089,308</u>
Excess (deficiency) of revenues over expenditures	(340,057)	(304,874)	35,183	(319,062)
OTHER FINANCING SOURCES (USES)				
Transfers in	326,594	259,927	(66,667)	326,594
Total other financing sources (uses)	<u>326,594</u>	<u>259,927</u>	<u>(66,667)</u>	<u>326,594</u>
Net change in fund balance	\$ <u>(13,463)</u>	(44,947)	\$ <u>(31,484)</u>	7,532
Fund balance at beginning of year		<u>285,621</u>		<u>278,089</u>
Fund balance at end of year		<u>\$ 240,674</u>		<u>\$ 285,621</u>

CITY OF LOCKHART, TEXAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
September 30, 2018

	<u>Sanitation</u>	<u>Airport</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 479,332	\$ 118,661	\$ 597,993
Receivables (net)	<u>258,890</u>	<u>500</u>	<u>259,390</u>
Total current assets	<u>738,222</u>	<u>119,161</u>	<u>857,383</u>
Noncurrent assets			
Capital assets			
Land and other assets not being depreciated	120,409	72,161	192,570
Buildings, improvements, and equipment (net)	<u>65,549</u>	<u>1,391,992</u>	<u>1,457,541</u>
Total noncurrent assets	<u>185,958</u>	<u>1,464,153</u>	<u>1,650,111</u>
Total assets	<u>924,180</u>	<u>1,583,314</u>	<u>2,507,494</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to pension	16,361	-	16,361
Deferred outflow related to OPEB	<u>747</u>	<u>-</u>	<u>747</u>
Total deferred outflows of resources	<u>17,108</u>	<u>-</u>	<u>17,108</u>
LIABILITIES			
Current liabilities			
Accounts payable	97,110	260	97,370
Payroll related payables	5,220	-	5,220
Customer deposits	150	6,875	7,025
Unearned revenue	-	2,758	2,758
Accrued compensated absences	<u>5,146</u>	<u>-</u>	<u>5,146</u>
Total current liabilities	<u>107,626</u>	<u>9,893</u>	<u>117,519</u>
Noncurrent liabilities			
Net pension liability	68,322	-	68,322
OPEB liability	<u>15,856</u>	<u>-</u>	<u>15,856</u>
Total noncurrent liabilities	<u>84,178</u>	<u>-</u>	<u>84,178</u>
Total liabilities	<u>191,804</u>	<u>9,893</u>	<u>201,697</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to pension	<u>15,211</u>	<u>-</u>	<u>15,211</u>
Total deferred inflows of resources	<u>15,211</u>	<u>-</u>	<u>15,211</u>
NET POSITION			
Net investment in capital assets	185,958	1,464,153	1,650,111
Unrestricted	<u>548,315</u>	<u>109,268</u>	<u>657,583</u>
Total net position	<u>\$ 734,273</u>	<u>\$ 1,573,421</u>	<u>\$ 2,307,694</u>

CITY OF LOCKHART, TEXAS**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION****NONMAJOR ENTERPRISE FUNDS**

For the year ended September 30, 2018

	<u>Sanitation</u>	<u>Airport</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 1,689,309	\$ 70,993	\$ 1,760,302
Miscellaneous	19,503	440	19,943
Total operating revenues	<u>1,708,812</u>	<u>71,433</u>	<u>1,780,245</u>
OPERATING EXPENSES			
Personnel services	230,755	-	230,755
Contracts and services	1,201,443	25,683	1,227,126
Materials and supplies	8,332	-	8,332
Maintenance and repairs	10,104	21,629	31,733
Depreciation	9,186	52,818	62,004
Miscellaneous	1,291	-	1,291
Total operating expenses	<u>1,461,111</u>	<u>100,130</u>	<u>1,561,241</u>
Operating income before nonoperating revenues (expenses) and transfers	247,701	(28,697)	219,004
NONOPERATING REVENUES (EXPENSES)			
Investment income	7,486	1,661	9,147
Gain (loss) on disposition of capital assets	3,510	-	3,510
Noncapital grants and contributions	20,540	-	20,540
Net nonoperating revenues (expenses)	<u>31,536</u>	<u>1,661</u>	<u>33,197</u>
Income (loss) before transfers	279,237	(27,036)	252,201
Transfers out	<u>(252,591)</u>	<u>-</u>	<u>(252,591)</u>
Change in net position	26,646	(27,036)	(390)
Net position - beginning, as restated	<u>707,627</u>	<u>1,600,457</u>	<u>2,308,084</u>
Net position - ending	<u>\$ 734,273</u>	<u>\$ 1,573,421</u>	<u>\$ 2,307,694</u>

CITY OF LOCKHART, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the year ended September 30, 2018

	<u>Sanitation</u>	<u>Airport</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,687,835	\$ 70,538	\$ 1,758,373
Cash payments to suppliers for goods and services	(1,216,578)	(47,368)	(1,263,946)
Cash payments to employees for services	(216,677)	-	(216,677)
Net cash provided by operating activities	<u>254,580</u>	<u>23,170</u>	<u>277,750</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Increase (decrease) in customer deposits	100	(75)	25
Noncapital grants and contributions	20,540	-	20,540
Transfers out to other funds	(252,591)	-	(252,591)
Net cash provided (used) by noncapital financing activities	<u>(231,951)</u>	<u>(75)</u>	<u>(232,026)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Acquisition of capital assets	(22,570)	-	(22,570)
Proceeds from sale of capital assets	3,510	-	3,510
Net cash used by capital financing activities	<u>(19,060)</u>	<u>-</u>	<u>(19,060)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	7,486	1,661	9,147
Net cash provided (used) by investing activities	<u>7,486</u>	<u>1,661</u>	<u>9,147</u>
Net increase in cash and cash equivalents	11,055	24,756	35,811
Cash and cash equivalents at beginning of year	468,277	93,905	562,182
Cash and cash equivalents at end of year	<u>\$ 479,332</u>	<u>\$ 118,661</u>	<u>\$ 597,993</u>
RECONCILIATION OF OPERATING INCOME TO NET			
CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 247,701	\$ (28,697)	\$ 219,004
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	9,186	52,818	62,004
Change in assets and liabilities:			
(Increase) decrease in receivables	(20,977)	255	(20,722)
(Increase) decrease in deferred outflow related to pension	25,596	-	25,596
(Increase) decrease in deferred outflow related to OPEB	(534)	-	(534)
Increase (decrease) in accounts payable	4,592	(56)	4,536
Increase (decrease) in payroll related payables	1,054	-	1,054
Increase (decrease) in unearned revenue	-	(1,150)	(1,150)
Increase (decrease) in accrued compensated absences	1,291	-	1,291
Increase (decrease) in net pension liability	(37,148)	-	(37,148)
Increase (decrease) in OPEB liability	8,951	-	8,951
Increase (decrease) in deferred inflow related to pension	14,868	-	14,868
Net cash provided by operating activities	<u>\$ 254,580</u>	<u>\$ 23,170</u>	<u>\$ 277,750</u>

CITY OF LOCKHART, TEXAS
 COMBINING STATEMENT OF NET POSITION
 FIDUCIARY FUNDS
 September 30, 2018

	Private Purpose Trusts		Total
	Glosserman Trust	Brock Cabin Trust	
ASSETS			
Cash and cash equivalents	\$ 521	\$ 1,218	\$ 1,739
Total assets	<u>521</u>	<u>1,218</u>	<u>1,739</u>
LIABILITIES			
Due to others	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Held for various purposes	\$ 521	\$ 1,218	\$ 1,739

Agency Funds

<u>Confiscated Property</u>	<u>Unclaimed Property</u>	<u>Bicycle Helmet</u>	<u>Total</u>
\$ 10,398	\$ 8,826	\$ 1,080	\$ 20,304
<u>\$ 10,398</u>	<u>\$ 8,826</u>	<u>\$ 1,080</u>	<u>\$ 20,304</u>
\$ 10,398	\$ 8,826	\$ 1,080	\$ 20,304
<u>\$ 10,398</u>	<u>\$ 8,826</u>	<u>\$ 1,080</u>	<u>\$ 20,304</u>

CITY OF LOCKHART, TEXAS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

PRIVATE PURPOSE TRUSTS

For the year ended September 30, 2018

	<u>Glosserman Trust</u>	<u>Brock Cabin Trust</u>	<u>Total</u>
ADDITIONS			
Investment income	\$ 8	\$ 19	\$ 27
Total additions	<u>8</u>	<u>19</u>	<u>27</u>
DEDUCTIONS	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	8	19	27
Net position - beginning	<u>513</u>	<u>1,199</u>	<u>1,712</u>
Net position - ending	<u>\$ 521</u>	<u>\$ 1,218</u>	<u>\$ 1,739</u>

**OVERALL COMPLIANCE AND INTERNAL CONTROL
SECTION**



CERTIFIED PUBLIC ACCOUNTANTS
101 S. MAIN, SUITE 400
VICTORIA, TEXAS 77901-8142

STEPHEN W. VAN MANEN, CPA
DENNIS C. CIHAL, CPA
ERIC L. KUCERA, CPA
CLAYTON P. VAN PELT, CPA
ROBERT W. SCHAAR, CPA
MELISSA M. TERRY, CPA

VOICE: (361) 573-3255
FAX: (361) 573-9531

**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

Mayor and Members of Council:

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, 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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 13, 2019. 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 and correct, 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

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 result 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

March 13, 2019

City of Lockhart, Tx

Council Agenda Item Briefing Data

COUNCIL MEETING DATE: March 19, 2019

AGENDA ITEM CAPTION: Discussion and/or action to consider Resolution 2019-08, Adopting the Fund Balance – Stabilization and Excess of Reserves Policies according to the guidelines from Government Finance Officers Association (GFOA).

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: The Government Finance Officers Association (GFOA) recommends that general purpose governments, regardless of size maintain unrestricted budgetary fund balance in their general fund and appropriate levels of working capital in their Enterprise funds.

PROJECT SCHEDULE (if applicable):

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

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

FISCAL NOTE (if applicable):

Previous Council Action:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends Resolution 2019-08 be adopted.

LIST OF SUPPORTING DOCUMENTS: The Fund Balance – Stabilization and Excess of Reserves Policies (Exhibit A).

Department Head initials:



City Manager's Review:



RESOLUTION NO. 2019-08

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, ADOPTING THE FUND BALANCE- STABILIZATION AND EXCESS OF RESERVES POLICIES ACCORDING TO GUIDELINES FROM GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA).

WHEREAS, the City of Lockhart, Texas is committed to financial management through integrity, prudent stewardship, planning, accountability, full disclosure and communication; and

WHEREAS, the broad purpose of the Fund Balance – Stabilization and Excess of Reserves Policies is to enable the City to achieve and maintain a long-term stable and positive financial condition, and provide guidelines to determine the use of excess of reserves for limited expenditures; and

WHEREAS, using the guidelines from the Governmental Finance Officers Association to determine the appropriate levels of working capital in the General and Enterprise Funds for the City of Lockhart, set by the City Council.

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

The City Council of the City of Lockhart, Texas hereby adopts the Fund Balance – Stabilization and Excess of Reserves Policies (Exhibit A).

PASSED AND APPROVED on this 19th day of March 2019.

CITY OF LOCKHART, TEXAS

By: _____
Lew White, Mayor

APPROVED AS TO FORM:

Peter Gruning, City Attorney

ATTEST:

Connie Constancio, City Secretary

Exhibit A

CITY OF LOCKHART, TEXAS

The Fund Balance- Stabilization and Excess of Reserves Policies

Background

The Government Finance Officers Association (GFOA) recommends, at a minimum, the general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures. GFOA acknowledges that a government's situation may require a level of unrestricted fund balance in the general fund significantly in excess of this recommended minimum level. The City of Lockhart utilizes expenditures as a basis for its minimum calculation because it is more predictable than revenues. The City has established a higher three-month (90 days) minimum balance based upon (1) predictability of its revenues, (sales tax revenue in particular), (2) perceived exposure to significant one-time outlays, such as natural disasters (flooding), (3) the potential impact of the City's bond ratings, and (4) existing commitments and assignments for pension fund liability.

GFOA's Determining the Appropriate levels of working capital in Enterprise Funds (Best Practice) recommends that governments develop a target amount of working capital that best fits local conditions for each fund, starting with a baseline of ninety (90) days of working capital and then adjusting the target based on particular characteristics of the enterprise fund in question. The City of Lockhart has set a higher minimum (four months – 120 days) based upon the following considerations: (1) large peaks and valleys in cash position during the year, (2) volatility in demand for services, and (3) difficulty in raising rates and revenues.

The policy is created in consideration of unanticipated events that could adversely affect the financial condition of the City and jeopardize the continuation of necessary public services. This policy will ensure that the City maintains adequate fund balances and reserves in order to:

- a) Provide sufficient cash flow for daily financial needs,
- b) Secure and maintain investment grade bond ratings,
- c) Offset significant economic downturns or revenue shortfalls, and
- d) Provide funds for unforeseen expenditures related to emergencies.

This policy and the procedures promulgated under it supersede all previous regulations regarding the City's fund balance and reserve policies.

Exhibit A

FUND BALANCE POLICIES

Stabilization Funds

Purpose: To maintain an adequate level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

Policy: Council shall establish and maintain fund balances as follows:

1. General Fund: no less than 25% of budgeted expenditures and outgoing transfers, and
2. Enterprise Funds: (Electric, Water, Wastewater and Solid Waste) no less than 4 months (120 days) of budgeted expenditures.

Replenishing Deficiencies - When fund balance falls below the 25% level, the City will replenish shortages/deficiencies within the same year. According to GFOA guidelines 17% is considered a minimal level of fund balance, but the City considers a balance of less than 22% to be a cause for concern, barring unusual or deliberate circumstances.

Surplus fund balance - Should unassigned fund balance of the general fund ever exceed the maximum 25% level, 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.

Excess of Reserves

Purpose: To determine the use of excess of reserves for limited expenditures.

Policy: In the event Reserves exceed the minimum balance requirements, at the end of each fiscal year, any excess Reserves may be used in the following ways:

- (1) To fund accrued liabilities, including but not limited to debt service, pension, and other post-employment benefits;
- (2) Increase fund balances to fund future capital projects;
- (3) One-time expenditures that are nonrecurring in nature or which will not require additional future expense outlays for maintenance, additional staffing, or other recurring expenditures that cannot be funded through current revenues.

Exhibit A

Implementation and review

Upon adoption of this policy the City Council authorizes the City Manager to establish any standards and procedures which may be necessary for its implementation. The Director of Finance shall review this policy at least annually and make any recommendations for change to the City Manager and City Council.

City of Lockhart, Texas

Council Agenda Item Briefing Data

COUNCIL MEETING DATE: March 19, 2019

AGENDA ITEM CAPTION:

Discussion and/or action to consider approval of Digitization Services with MCCi to scan large plans stored in the Inspection Department into Laserfiche.

ORIGINATING DEPARTMENT AND CONTACT: Connie Constancio, City Secretary

ACTION REQUESTED:

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

BACKGROUND/SUMMARY/DISCUSSION:

During the 2018-2019 budget workshops, the Council approved funding in the amount of \$16,000 to scan large plans that are currently housed in the Inspection Department's plan storage room. There is currently no more space to store additional plans in the room. Shane Mondin, Building Official, also requests that the large plans are scanned and moved to another storage facility to allow them to utilize their storage room in City Hall. This will be a one-time expense because, since 2017, the city has required permit applicants to provide the final plans on a CD for storage. Plans on a CD can be copied from the CD directly into Laserfiche.

MCCi is a member of the BuyBoard, and is the company that provides support with the city's Laserfiche software and components. Staff requests utilizing MCCi to perform the scanning task because they are the company that has the ability to scan and index directly into our Laserfiche software. Other BuyBoard vendors would be able to scan the documents, provide them to us in an electronic format, and staff would be required to thereafter put them into Laserfiche.

According to the project proposal, MCCi will pick up the documents and take to their facility to perform the scanning task. The plans being available in Laserfiche will also assist with a quicker response to public information requests of individuals requesting copies of plans, staff's ability to review plans electronically, and is a vital part of disaster preparedness measures.

PROJECT SCHEDULE (if applicable):

If approved, MCCi will pick-up the plans shortly thereafter. When the large paper plans are returned, they will be stored at the Bois D'Arc facility since they are permanent records.

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

Funds Required: \$12,333
Account Number: 100-5105-299
Funds Available: \$16,000
Account Name: City Manager – Other Contracts & Services

FISCAL NOTE (if applicable):

Previous Council Action: Council discussed the large plan scan funding during a budget meeting on July 12, 2018. Funding up to \$16,000 was approved with the adoption of the Fiscal Year 2018-2019 budget.

COMMITTEE/BOARD/COMMISSION ACTION: None.

STAFF RECOMMENDATION/REQUESTED MOTION:

Staff recommends approval of Digitization Services with MCCi to scan large plans stored in the Inspection Department into Laserfiche.

LIST OF SUPPORTING DOCUMENTS:

- Proposal/Agreement from MCCi for scanning services.
- July 12, 2018 Council minutes.
- Adopted Fiscal Year 2018-2019 budget detail for City Manager-Other Contracts & Services.

Department Head initials:

CC

City Manager's Review:

Jim 130

Prepared for
Lockhart, TX

Presented by
Russell Haddock

SCANNING

SOLUTION

Issued: October 29, 2018



October 29, 2018

Ms. Connie Constancio
City of Lockhart
P.O. Box 239
Lockhart, TX

Dear Ms. Constancio:

Thank you for allowing me to work with you regarding our Digitization services. While reviewing the enclosed Proposal, please keep in mind the following advantages of being a MCCI Client:

Experience - MCCI was created by Municipal Code Corporation to focus on innovative solutions for the public sector. MCCI has been providing scanning, indexing, and conversion services to entities including Cities, Counties, State Agencies, Special Districts, School Districts, Law Enforcement, and more for over 15 years. We have completed hundreds of projects and have a long list of satisfied Clients.

Client Commitment - We are committed to making sure your project is done right. If the quality of our work is not what you expect, we fix it. Our Clients come first.

Safe & Secure - All Scanning Division staff go through HIPAA and CJIS training for sensitive documents. Sensitive data is stored and accessed using several levels of security.

Leading Provider - MCCI is the leading provider of Laserfiche in the world and a Laserfiche Gold VAR. Even if you don't have Laserfiche, we know document management and can help make sure you are able to leverage your digital documents.

Complete Solutions - In addition to converting documents, we provide solutions for document management, business process improvement, and managing public records requests. We are passionate about helping our Clients go paperless and improve overall efficiency. Working with a single partner can help reduce costs and improve project outcomes.

If you have any questions concerning our proposal or desire additional information, please do not hesitate to contact me. We appreciate your interest and hope that we will have the pleasure of working with you.

Sincerely,



Russell Haddock
Territory Leader

EXECUTIVE SUMMARY

OUR HISTORY

Our story goes back to the 1950s, as a one-man operation, for the sole purpose of codifying municipal laws and ordinances and printing this material. George Langford, the founder of Municode, was a true pioneer. He bought the first copy machine in Florida and carried it from city to city in the trunk of his Buick.

Fast forward 65 years and look at us now! MCCi is committed to leading the industry, staying abreast of technology and focusing on the needs of our clients so that everyone – our clients and our employees – may grow.

OUR CULTURE

We are fanatical about client success. Success starts with our eagerness to understand our client's goals. We understand that excellent service, client education and follow up are all part of the successful life cycle.

We don't just want to date our clients. We demand every member of our team understand and practices the foundation of a long-term relationship: communication, caring, and commitment.

We innovate and evolve. Our growth initiatives are based on what our clients need and where they are headed. We understand that we must continuously evolve and improve to support our clients.

OUR TEAM

MCCi is a leading provider of digitization services in the nation. With scanning facilities throughout the U.S., coupled with our on-site scanning services, we have the capabilities to handle projects large and small. We are not just your scanning service provider. We are consultants who can draw from more than 15 years of experience to provide customized solutions.

CLIENT RELATIONS

From the beginning, we take the time to learn about your organization's needs to provide you with top-notch service to help you achieve your goals. Your account executive will assist in managing customer service communication through the life of the product.

PROJECT MANAGEMENT

When it is time to start your project, we will introduce you to your project team. During this introduction, the team will discuss the project objectives, the anticipated timeline, and answer any questions.

PRODUCTION TEAM

From document preppers, indexers to scanning operators and quality control, our team members have extensive experience in the digitization process. The team follows specific project guidelines for each step of the process, ensuring quality and accuracy.

LEADERSHIP

You can rest assured that our company stands behind our work. Our scanning division managers, chief operating officer, and even our president is available to handle escalated issues to make sure every client is satisfied. We listen to our client's needs and always make that our number one priority.

IT'S NOW, IS THE TIME

STORAGE SPACE

Large quantities of paper documents and records can take up valuable office space and limit the ability to run your department. If you utilize off-site storage, scanning your documents can save you money on retrieval requests and storage fees. By digitizing your files, you can save space, money, and time.

DISASTER PREPAREDNESS

Moving to electronic files can be an important part of your disaster preparedness and business continuity plan. Scanned documents provide backup copies of your files in an easily portable digital format. This provides extra assurance that you will be able to access your information in the event of a disaster.

TRACKING & SHARING

Scanning your documents and records can help you share the information instantly with staff and clients at any location. Electronic files can eliminate the need for costly reproduction, mailing, and are easier to track. Search, find, and share your documents in minutes instead of hours.

SCANNING SERVICES

RECORDS TYPES

Documents come in countless formats from letter or legal size, to large format. Don't forget about microfilm, microfiche, and bound books!

PICKUP & SHIPPING

Scanning facilities located throughout the U.S. provide easy pick-up or shipping of records.

FLEXIBLE SCHEDULES

Monthly, quarterly, and annual scanning schedules are available.

ACCESS TO RECORDS

While records are in MCCI's possession, you can request a copy of any documents and typically fulfilled within 24-hours.

SAFE & SECURE

Our facility maintains HIPAA and CJIS certifications for working with sensitive records. Our team is trained in document handling procedures to ensure that your records are processed with care.

LASERFICHE EXPERTS

As the top Laserfiche provider in the world, MCCI can integrate the scanned documents with your Laserfiche solution to provide a powerful index retrieval search engine.

QUALITY CONTROL IS OUR TOP PRIORITY

From the time we receive your documents until the project is complete, we treat your documents as if they are our own. We understand the care needed to ensure that documents are properly preserved.

SECURE DOCUMENT TRANSPORTATION

We can provide pickup and transportation of the documents to our secure production facility. All documents have a high-level inventory checkpoint, carefully loaded on our truck, signed by the driver, and transported to our secure facility. Upon arrival, a manager will verify and sign for the documents. Each project will be inventoried into our facility, labeled, and secured until the project process begins.

PREPARATION

Our preparation team prepares the documents for scanning according to the clearly defined project specifications, agreed upon with MCCi and our client. Document preparation can include removing staples and otherwise preparing the documents and large format drawings for scanning. The prep team is assigned specific work and focused on one project to ensure accuracy.

SCANNING

After preparation is complete, our scanning team receives documents ready to be scanned. We prepare scanner settings, proper document separation, and ensure the document batch is ready to be digitized. Images are reviewed during the scanning process for clarity and page capture for proper standards. Our clients review the first batch of scanned images to verify quality meets their expectations. Scanners are inspected and regularly maintained to ensure proper working order.

INDEXING

Before we start your project, we will have consultations to understand your complete indexing needs. Verifying the correct metadata associated with your documents can be critical to the success of the project. Our indexing team follows specific instructions based on the client's project.

IMPORT OF RECORDS

MCCi offers import services to ensure that scanned records can be easily imported into the client's system, decreasing the workload on the Client. Our team is experts on importing records, Laserfiche best practices, architecture standards, and templates/metadata.

QUALITY ASSURANCE IS A TEAM EFFORT

Our production team follows a proven process specifically designed to review and monitor the quality of the client's information throughout the entire process. As the work passes through each phase, it is quality checked randomly by the unit. Upon reaching the final phase, we produce a quality product that multiple team members have reviewed to look for missing, blank, or rotated pages and other issues.

Upon receipt of delivery from MCCi, we encourage our clients to conduct their own quality assurance inspection to ensure accuracy and quality:

- Verify general contents of the returned shipment
- Spot check documents to assure proper order according to project specifications
- Validate physical images match digital images
- Let MCCi know promptly of any found errors or issues.

SCOPE OF SERVICES AND PROJECT PRICING

The Client will furnish MCCi for its use in preparing the document imaging project all hardcopy /electronic documents to be converted.

PROJECT SCOPE – All estimates are based on information provided by the Client

- General Description
 - Document Size: Large Format up to 42" wide
 - Department: Building Department
 - Document Types: Building Plans/Plats
 - Document Count: 275
 - Image Count: Estimated 8,000 images
 - Images Per Document: Approximately 29

- Document Preparation:
 - Current Storage Method: Sleeves/Rolls - maps
 - Condition of documents: Majority of the documents are in good condition. Some are fragile.

- Image Processing & Indexing
 - DPI & Color: 300 DPI, Black & White
 - Number of Index Fields: Up to 2 Fields (Document name counts as an index)
 - Document Naming Convention:
 - Fields to be Indexed: Date, Street Address
 - Optical Character Recognition: Not Included

- Image Output
 - Method of Delivery: Removable Hard Drive
 - Output Type: Laserfiche Briefcase

- Material Handling
 - Shipping Logistics: MCCi Pickup
 - Shipping & Delivery Terms: Up to 1 shipment (if job is broken up, volume pricing must be also)

- Special notes: Any corrections such as rescans or indexing changes must be brought to MCCi's attention within 90 days of the date that MCCi delivers the data to the Client. Corrections will not be made after 90 days.

PROJECT PRICING

Project I - Conversion of Documents estimated cost
Excess Images @ \$1.58

\$12,333.00

PAYMENT & BILLING TERMS

MCCi will invoice project on a monthly schedule, based on deliverables (via Electronic media or the internet). Payment is due upon receipt of an invoice.

BuyBoard Pricing: The pricing and terms in this contract are derivative of the "Not-To-Exceed" digitization rates that were competitively sourced through the BuyBoard's Document Scanning Services contract #544-17. The rates and terms listed are based upon the complexity and volume of the project(s) outlined in this contract. The rates listed may be applied to additional projects that haven't been specifically outlined in this contract, but MCCi reserves the right to verify the complexity of those projects and if needed modify the rates accordingly.

MCCI, a Limited Liability Company, which is duly organized and existing under the laws of the State of Florida, hereinafter referred to as MCCI, hereby offers the Laserfiche Software & Services to the **CITY OF LOCKHART, TX**, a corporation duly organized and existing under state law, hereinafter referred to as the Client, according to the following terms and conditions:

MCCI DOCUMENT SERVICES – INDEXING SERVICES. Once MCCI has received your documents, the following process will occur according to the terms laid out in MCCI's pricing proposal and may vary according to services selected:

CONSULTATION. A Consultation will be scheduled via a telephone conference after receipt of signed contract. This consultation is designed to go over the following: the signed contract and terms, folder structure, current searching methods, document naming scheme, document preparation requirements, and document shipment and/or pick up.

DOCUMENT PREPARATION. If you decide to send paper documents to MCCI, the process of document preparation begins with removing any materials that may prohibit the document from being fed through the scanner (i.e. Removal of documents from file folders, Removal of staples, paperclips, tape, clips, etc) and is described as Document Preparation. Upon completion of scanning, MCCI will organize the documents into their original order as received from the Client but not placed back into their file folders or reprinted unless specifically stated otherwise in the project scope.

DOCUMENT ORGANIZATION & INDEXING. Based on the scope of the project and outcome of your consultation, MCCI will organize and index your documents. Each project will have its own required organization and indexing requirements. Our project management team will work with the Client to identify those requirements. Prior to project kickoff we will send the Client example template cards and file-tree structure for their approval. Or, if the Client already has existing Laserfiche template cards created for a specific document series, they can send us that template via Laserfiche Briefcase.

DOCUMENT QUALITY CONTROL. MCCI performs a thorough quality control process after the job has been completed. Steps are taken to ensure documents have been captured, the quality of the scanned images are comparable to the originals, and manual indexing errors have been corrected. Even with the best quality control processes, there are going to be occasional errors that go uncorrected. MCCI's acceptable error rate will be less than 0.5% for the overall project, unless otherwise stated in writing. MCCI cannot be accountable for records not reflected in original inventory report as provided by Client. MCCI will correct only those valid discrepancies above the acceptable error rate reported within 90 days after delivery of electronic data to Client.

DOCUMENT STORAGE. MCCI's facilities contain secure rooms for hardcopy "work in progress" document storage. MCCI will arrange for the return of hardcopy documents to the Client after completion of scanning. If documents reside at MCCI facilities for a period longer than 90 days after converted electronic data is delivered to Client storage charges will apply.

DATA STORAGE MCCI is not responsible for maintaining a copy of Client data, with the exception of Clients who contractually and on a recurring basis, utilize MCCI's Online Document Hosting Services. MCCI periodically reviews and deletes Client data from previous projects. The timing of the periodic review and deletion of data is at MCCI's discretion. MCCI recognizes that for records retention and security compliance, the Client may require MCCI to delete copies of it's data prior to MCCI's process of deleting data; if so, the Client is responsible for making the request in writing and for obtaining confirmation of data deletion.

ENTERPRISE WIDE SCANNING SERVICES. In accordance with the terms and conditions herein, MCCI can provide any department in the organization with scanning services for documents other than those described in this pricing proposal. All costs are volume based and can be provided upon request. MCCI will consult with each department interested in beginning their own project to determine individual scanning and indexing needs.

MICROFILM & FICHE CONVERSION SERVICES. MCCI offers electronic conversion services for microfilm, microfiche, and aperture cards. The Client will provide MCCI with data to be converted to electronic format. MCCI will extract the images contained on the film/fiche and migrate them to Laserfiche or to another industry standard format as requested by the Client. The images will be captured based upon the reduction ratio and threshold between the beginning and ending of new images on the original film. MCCI is not responsible for the accuracy of existing image quality, such as black borders, skewed images, blurry images, non-legible images, or other errors that are not controllable by MCCI. Unless otherwise specified in the project scope, MCCI will index by the roll/card number or unique identifier.

LASERFICHE SEARCH ENGINE MEDIA. If included in the Scope of Services, MCCI will integrate the documents with the Laserfiche Software to provide the Client with the most powerful Index retrieval search engine available with the following features: Intuitive browse window, index cards, and full text word search. MCCI will provide the Client with the appropriate media containing all documents scanned and integrated with Laserfiche.

ONLINE DOCUMENT HOSTING. MCCI will post the documents to the web for a minimal annual fee. MCCI provides the Client with a direct link which can then be linked to the Client's website for public access if desired. Document storage cost is determined upon actual image count. All documents on the site are integrated with a search engine, and updates are incorporated as the database is amended.

PROJECT TIMELINE. MCCI will complete and deliver the project within the predetermined project timeline as agreed upon with the Client. Should MCCI require additional time, the Client will be notified immediately.

DOCUMENT TRANSPORTATION. The Client is required to package all materials per MCCI's instruction prior to delivery of materials to MCCI facilities. If the Client chooses to utilize MCCI's pick up and delivery service (offered in select states), pricing is based on picking up the entire project described in the scope of services in one shipment. At the time of updating or if additional trips are required due to the Client not having all the documents ready for pick up, additional charges will be applied. If the Client chooses to ship via a certified carrier, the Client incurs all shipping costs.

PRICING. Charges apply on a per project basis and are dependent upon size and volume of documents. MCCI requires having the entire project in bulk, rather than in small quantities. Breaking the project into smaller quantities will affect the volume pricing, and additional charges per image may apply. A sample may be required prior to confirming large volume job pricing.

UNANTICIPATED DOCUMENT TYPES & SIZES. The prices quoted are made with the expectation that Client will properly prepare and annotate materials for scanning bureau use and that documents are consistent with the description provided in the scope of services. If documents are not as initially represented, additional charges will apply. MCCI will call for authorization to proceed with the project.

LASERFICHE SYSTEM CLIENTS. Due to requirements by Laserfiche systems regarding the importing of images and indexing information, it is highly recommended that Clients who already have a Laserfiche system have their documents scanned using only Laserfiche software. This will ensure that all associated indexing information will be properly retained after the importing of images into the Laserfiche system. MCCi has knowledge of the software versions, indexing requirements, and compatibility issues for each of our Laserfiche system Clients. For these reasons, MCCi should be considered as a Preferred/Best Value provider for scanning services. Additionally, Laserfiche System Clients are required to supply MCCi with a Laserfiche Briefcase of their current folder/template structure prior to each scanning project / updates to existing projects.

MCCI CERTIFIED PARTNERS. MCCi maintains partnerships for the purpose of additional capacity and flexibility in meeting Client expectations. In the event partners are used for a project, the management and support of the project is handled directly by MCCi. Physical documents will never leave the United States, but our partners may utilize offshore resources to handle document indexing, quality control, and other processes.

AGREEMENT EXTENDED TO OTHER GOVERNMENTAL UNITS. MCCi agrees to allow any other Government agency to purchase items at the same terms, conditions and pricing as this contract during the period of time that this contract is in effect. Minor changes in terms and conditions may be negotiated by MCCi and participating Government agencies. Any orders issued against this agreement shall be the sole responsibility of the Government agency placing the order. It is understood that the Client shall incur no financial responsibility in connection with any purchase by another Government agency.

TERMINATION. The services provided in this agreement will be in full force and effect for a period of three (3) years from the date of shipment of the completed product to the organization. Thereafter, this agreement will be automatically renewed from year to year, provided that either party may alter or cancel the terms of this agreement upon sixty (60) days' written notice.

FORCE MAJEURE. Neither party shall be liable for any delay or failure in performance due to causes beyond its reasonable control.

CLIENT FINANCIAL SOLVENCY/BANKRUPTCY. MCCi may require payment in advance for products and services in response to learning of financial solvency or bankruptcy issues.

LIMITED LIABILITY. Notwithstanding anything in this Agreement to the contrary, MCCi's total liability to the client for any and all claims, damages, or liability arising out of or related in any way to this agreement or the products or services being provided by MCCi to Client shall be strictly limited to the project fees paid to MCCi by the Client for the preceding 12-month period immediately preceding the event giving rise to the claim by the Client, and shall also be limited to the fees paid to MCCi for the particular service/product that the Client's claim was caused by or arose out of.

INDEMNIFICATION. If MCCi or our affiliates (owners or partners), or any of our or their respective employees, agents, or suppliers (the "Indemnitees") is faced with a legal claim by a third-party arising out of your actual or alleged gross negligence, willful misconduct, violation of law, failure to meet the security obligations required by the Agreement, or violation of your agreement with your customers or end users, then you will pay the cost of defending the claim (including reasonable attorney fees) and any damages award, fine or other amount that is imposed on the Indemnitees as a result of the claim. Your obligations under this subsection include claims arising out of the acts or omissions of your employees or agents, any other person to whom you have given access to the Services, and any person who gains access to the Services as a result of your failure to use reasonable security precautions, even if the acts or omissions of such persons were not authorized by you. You must also pay reasonable attorney fees and other expenses we incur in connection with any dispute between persons having a conflicting claim to control your account with us or arising from an actual or alleged breach of your obligations to them.

PAYMENT & BILLING TERMS. MCCi will invoice project on a monthly schedule, based on deliverables (via Electronic media or the internet). Payment is due upon receipt of an invoice.

MARKETING & REFERENCES. Client agrees to allow MCCi to publish and publicize testimonials and case study information pertaining to MCCi's work with the Client. This information, including the Client's organization name, logo, and contact information will be used in all media types.

USE OF BASECAMP. Through the course of this project, MCCi may choose to utilize the third-party service Basecamp (<http://www.basecamp.com>) for project management and team collaboration. Documentation and correspondence exchanged between MCCi and The Client may be stored in Basecamp. The Client acknowledges that Basecamp is responsible for secure storage of this documentation, and agrees that Basecamp's security guidelines located at <https://basecamp.com/security> are acceptable for the storage of The Client's data and correspondence exchanged with MCCi.

Submitted by: **MCCi, a Limited Liability Company**

Date: October 29, 2018

By: _____
(Signature)

(Printed Name & Title)

Noted Items Accepted by: **CITY OF LOCKHART, TX**

Date: _____

By: _____
(Signature)

(Printed Name & Title)

City Manager

Increase for health insurance and additional funds for a new city manager's salary. Records Management temporary part-time employee is proposed to become a permanent part-time. Also, funds allocated to scan large plans that have taken up all the storage in the plan room.

Economic Development Department

Mr. Hinson explained that the economic development department, not Lockhart Economic Development Corporation (LEDC), budget in the city's general fund are solely for tax rebates. The LEDC's budget is separate from the City of Lockhart. Funds budgeted by the city for tax rebates would be transferred to the non-departmental budget thereby eliminating the economic development department.

Finance

Slight decrease.

Non-Departmental

Increase due to allocating for a 3% salary increase for all non-civil service employees if a wage increase is granted. That line item will be adjusted based upon the Council's decision regarding a wage increase in Fiscal Year 2018-2019.

Debt Service

This fund has not been addressed. Staff will update after receiving the certified tax rolls from the Caldwell County Appraisal District.

Information Systems

Bestline technical support and purchases of some computers, software and/or server purchases or repairs. There was discussion regarding obtaining proposals for the free wi-fi on the downtown square.

Civil Service

Not many changes in civil service.

Community Facility

Funds for general maintenance at the building at 901 Bois D'arc. Keeping up with the building is important because several departments use the building to store records as well as the facility for several community organizations. There was brief discussion regarding the status of rehabilitating the gifted building on Main Street (St. Paul United Methodist Church).

Library

Increase for several library patron amenities such as digital books, repairs, improvements in the children's area, etc. There was discussion regarding the improved security and special events.

Planning

Increase for health insurance and increase in plan review fees.

Inspections

Slight increase for plan review assistance.

Airport

Increase for materials to maintain the airport roadways, taxiways or other repairs.

ACCOUNT NO#	===== ACCOUNT NAME =====	ANNUAL BUDGET	
00-5105-299	OTHER CONTRACTS & SERVICES	20,800.00	
	Telecom system annual support 1	3,500.00	3,500.00
	Shredding services 1	600.00	600.00
	DPS-background cks 1	200.00	200.00
	Century Pest Control-City Hall 1	500.00	500.00
	Scan Svs 8000 Const Plans 1	16,000.00	16,000.00
	PAGE TOTAL:	20,800.00	
	TOTAL EXPENDITURES:	20,800.00	
	NET REVENUES/EXPENDITURES:	20,800.00	

City of Lockhart, Texas

Council Agenda Item Briefing Data

COUNCIL MEETING DATE: 03-19-2019

AGENDA ITEM CAPTION: Discussion and /or action to consider approval of Ordinance 2019-06 of the City Council of the City of Lockhart, Texas establishing the classification and the number of employees in each classification within the Police Department, providing for severability; providing a repealer; providing for publication; and establishing an effective date.

ORIGINATING DEPARTMENT AND CONTACT: Police Department, Chief Ernest Pedraza, 512-398-4401

ACTION REQUESTED:

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

BACKGROUND/SUMMARY/DISCUSSION:

In compliance with civil service, the number of classified police and fire positions are set by an ordinance, which is referred to as the "Strength of Force." The proposed ordinance reflects the reclassification of a patrol officer classification to Lieutenant classification. In order to provide the adequate span of control for effective planning, training, coordination of daily activities, management of personnel and promoting the police department's community policing philosophy, the Chief of Police recommends the creation of an additional supervisory position at the rank of Lieutenant, without increasing the total number of authorized police department positions. This additional supervisory position will provide increased oversight during the night shift. Currently the department has two Lieutenants and one is assigned to administrative day shift while the other one is assigned to Patrol Day Shift. The additional proposed Lieutenant classification will be assigned to work Patrol Night Shift.

PROJECT SCHEDULE (if applicable): N/A

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

Funds Required: \$30,421 – (\$24,481 Payroll; \$5,940 Benefits)

Account Number: Supervisory Payroll 100-5317-108 and multiple benefit categories

Funds Available: All payroll effected line items are currently under Y-T-D percentages

Account Name: Supervisory Payroll and benefits

FISCAL NOTE (if applicable): N/A

Previous Council Action: N/A

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: City Manager, Police Chief, and Civil Service Director recommend that Council approve Ordinance 2019-06.

LIST OF SUPPORTING DOCUMENTS: Proposal of PD Personnel Reclassification, Lieutenant Job Description, Police Staffing of other Police Departments, LPD current Organizational Chart, Proposed LPD Organizational Chart and Taylor Texas Org. Chart, Seguin, Tx.Org. Chart, Schertz, Tx.Org. Chart, Bastrop Org. Chart.

Department Head initials:



City Manager's Review:



PROPOSED POLICE DEPARTMENT PERSONNEL RECLASSIFICATION

1. Reason for the reclassification is to divide duties of the patrol Lieutenant and provide accountability for the night shift.
 - a. The following will be the day Patrol Lieutenant responsibilities:
 1. Range Master
 2. Body Cam Manager
 3. Car Mobile Audio Video Manager
 4. Training Lieutenant
 5. Armorer
 6. Grant Writer
 7. Daily Training of the day shift
 8. Purchasing
 9. FTO Coordinator
 10. Evaluate adequacy of Law Enforcement measures
 11. Address citizen's complaints
 12. Provide relief for Sergeants
 13. Attend community events
 14. Oversees assignment of police officers, inspects performance, assists with problems, provides technical direction, informally resolves personnel problems, provides training as needed, and reviews reports and other administrative activities.
 15. Prepares a variety of status and information reports about department activity. Briefs others on important policy and administrative decisions.
 - b. The following will be the night Patrol Lieutenant responsibilities:
 1. Manage and supervise K-9 Unit
 2. Daily Training of night shift
 3. Scheduling
 4. Use of Force Review board
 5. Collision review board
 6. Fleet Management
 7. Property management
 8. Evaluate adequacy of Law Enforcement measures
 9. Address citizen complaints
 10. Provide relief for Sergeants
 11. Attend community events
 12. Provide needed accountability for the night shifts
 13. Oversees assignment of police officers, inspects performance, assists with problems, provides technical direction, informally resolves personnel problems, provides training as needed, and reviews reports and other administrative activities.
 14. Prepares a variety of status and information reports about department activity. Briefs others on important policy and administrative decisions.

ORDINANCE NO. 2019-06

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS REPEALING UN-CODIFIED ORDINANCE 2018-19 IN ITS ENTIRETY AND ADOPTING THIS ORDINANCE REGARDING ESTABLISHING THE CLASSIFICATIONS WITHIN THE POLICE DEPARTMENT AND AUTHORIZING THE NUMBER OF EMPLOYEES IN EACH CLASSIFICATION; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALER; PROVIDING FOR PUBLICATION; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Lockhart has adopted Civil Service, Chapter 143 of the Texas Local Government Code for its Fire and Police Department employees; and

WHEREAS, pursuant to Chapter 143, the City Council shall establish the classifications of employees and prescribe the number of positions in each classification pursuant to Section 143.021(a) of the Texas Local Government Code; and

WHEREAS, in order to provide the adequate span of control for effective planning, training, coordination of daily activities, management of personnel and promoting the police department's community policing philosophy, the City Council recognizes the need to create an additional supervisory position at the rank of Lieutenant, without increasing the total number of authorized police department positions; and

WHEREAS, at the recommendation of the Police Chief, the City Council has determined that it is in the best interest of the operation of the Police Department to eliminate one position in the rank of Police Officer and increase one position in the rank of Lieutenant; and

WHEREAS, given the operational needs and planning involved, the one (1) Lieutenant position will become effective on July 1, 2019.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, THAT

- I. The matters and facts set forth in the preamble are found to be true and correct.
- II. Currently, and until June 30, 2019, the classifications and number of positions in each classification in the Police Department have been and are as follows:

Effective October 1, 2017 (per Ordinance 2017-38)

1. Police Chief – 1
2. Captain – 1
3. Lieutenant – 2
4. Sergeant – 4
5. Police Officer – 20

Effective March 20, 2018 (per Ordinance 2018-02)

1. Police Chief – 1
2. Captain – 1
3. Lieutenant – 2
4. Sergeant – 4
5. Police Officer – 21

On July 1, 2019, the classifications and number of positions in each classification in the Police Department will be as follows:

1. Police Chief – 1
2. Captain – 1
3. Lieutenant – 3
4. Sergeant – 4
5. Police Officer – 20

Note: Position of Police Captain is appointed in accordance with §143.014 of the Texas Local Government Code.

III. Severability: If any provision, section, clause, sentence, or phrase of this ordinance is for any reason held to be unconstitutional, void, invalid, or un-enforced, the validity of the remainder of this ordinance or its application shall not be affected, it being the intent of the City Council in adopting and of the Mayor in approving this ordinance that no portion, provision, or regulation contained herein shall become inoperative or fail by way of reasons of any unconstitutionality or invalidity of any other portion, provision, or regulation.

IV. Repealer: That all other ordinances, section, or parts of ordinances heretofore adopted by the City of Lockhart in conflict with the provisions set out above in this ordinance are hereby repealed or amended as indicated.

V. It is hereby officially found and determined that the meeting at which this ordinance was passed was open to the public as required by law.

VI. Publication: That the City Secretary is directed to cause the caption of this ordinance to be published in a newspaper of general circulation according to law.

VII. Effective Date: This ordinance shall become effective and be in full force on March 19, 2019.

PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, ON THIS THE 19th DAY OF MARCH, 2019.

CITY OF LOCKHART

Lew White, Mayor

ATTEST:

APPROVED AS TO FORM:

Connie Constancio, TRMC, City Secretary

Peter Gruning, City Attorney

HISTORY

ORDINANCE NO. 2018-19

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS REPEALING UN-CODIFIED ORDINANCE 2018-02 IN ITS ENTIRETY AND ADOPTING THIS ORDINANCE REGARDING ESTABLISHING THE CLASSIFICATIONS WITHIN THE POLICE DEPARTMENT AND AUTHORIZING THE NUMBER OF EMPLOYEES IN EACH CLASSIFICATION; ESTABLISHING THAT THE POSITION IMMEDIATELY BELOW THE POLICE CHIEF WILL BE APPOINTED; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALER; PROVIDING FOR PUBLICATION; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Lockhart has adopted Civil Service, Chapter 143 of the Texas Local Government Code for its Fire and Police Department employees; and

WHEREAS, pursuant to Chapter 143, the City Council shall establish the classifications of employees and prescribe the number of positions in each classification pursuant to Section 143.021(a) of the Texas Local Government Code; and

WHEREAS, the Police Chief has determined that it is in the best interest of the operation of the Police Department to have the position immediately below him, Police Captain, selected by him pursuant to Section 143.014 of the Texas Local Government Code; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, THAT

I. The classifications and number of positions in each classification in the Police Department shall now be as follows:

Effective October 1, 2015 (per Ordinance 2015-25)

1. Police Chief – 1
2. Captain – 1
3. Lieutenant – 2
4. Sergeant – 4
5. Police Officer – 19

Effective October 1, 2017 (per Ordinance 2017-38)

1. Police Chief – 1
2. Captain – 1
3. Lieutenant – 2
4. Sergeant – 4
5. Police Officer – 20

Effective March 20, 2018 (per Ordinance 2018-02)

1. Police Chief – 1
2. Captain – 1
3. Lieutenant – 2
4. Sergeant – 4
5. Police Officer – 21

Note: Position of Police Captain will be appointed in accordance with §143.014 of the Texas Local Government Code

HISTORY

II. Severability: If any provision, section, clause, sentence, or phrase of this ordinance is for any reason held to be unconstitutional, void, invalid, or un-enforced, the validity of the remainder of this ordinance or its application shall not be affected, it being the intent of the City Council in adopting and of the Mayor in approving this ordinance that no portion, provision, or regulation contained herein shall become inoperative or fail by way of reasons of any unconstitutionality or invalidity of any other portion, provision, or regulation.

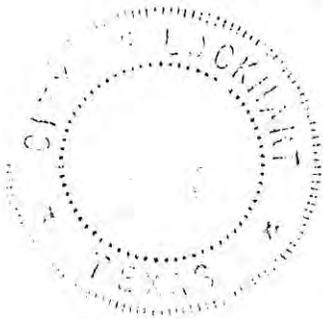
III. Repealer: That all other ordinances, section, or parts of ordinances heretofore adopted by the City of Lockhart in conflict with the provisions set out above in this ordinance are hereby repealed or amended as indicated.

IV. It is hereby officially found and determined that the meeting at which this ordinance was passed was open to the public as required by law.

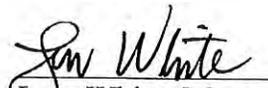
V. Publication: That the City Secretary is directed to cause the caption of this ordinance to be published in a newspaper of general circulation according to law.

VI. Effective Date: This ordinance shall become effective and be in full force on **August 21, 2018**.

PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, ON THIS THE 21ST DAY OF AUGUST, 2018.



CITY OF LOCKHART


Lew White, Mayor

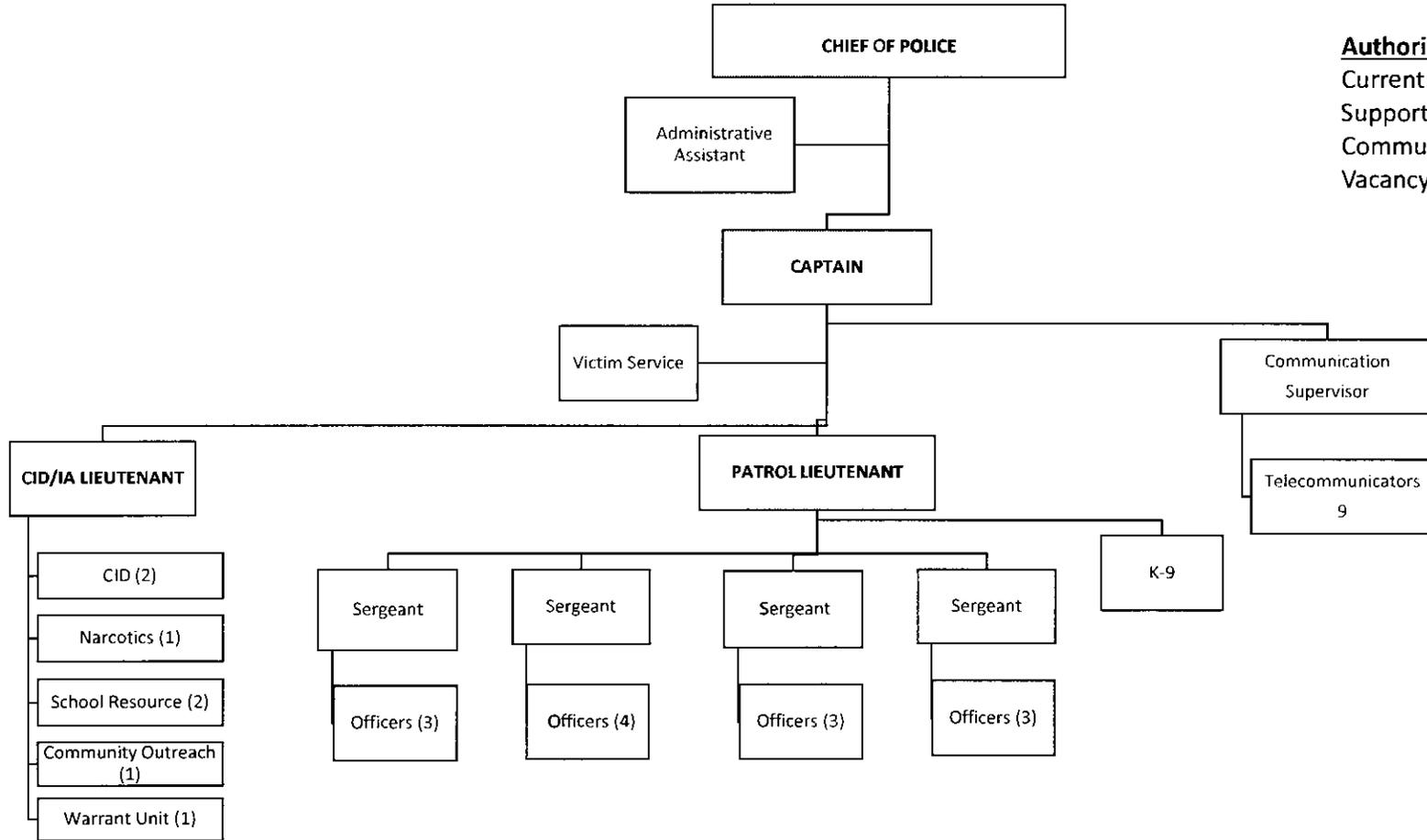
ATTEST:


Connie Constancio, TRMC, City Secretary

APPROVED AS TO FORM:


Peter Gruning, City Attorney

LOCKHART POLICE DEPARTMENT

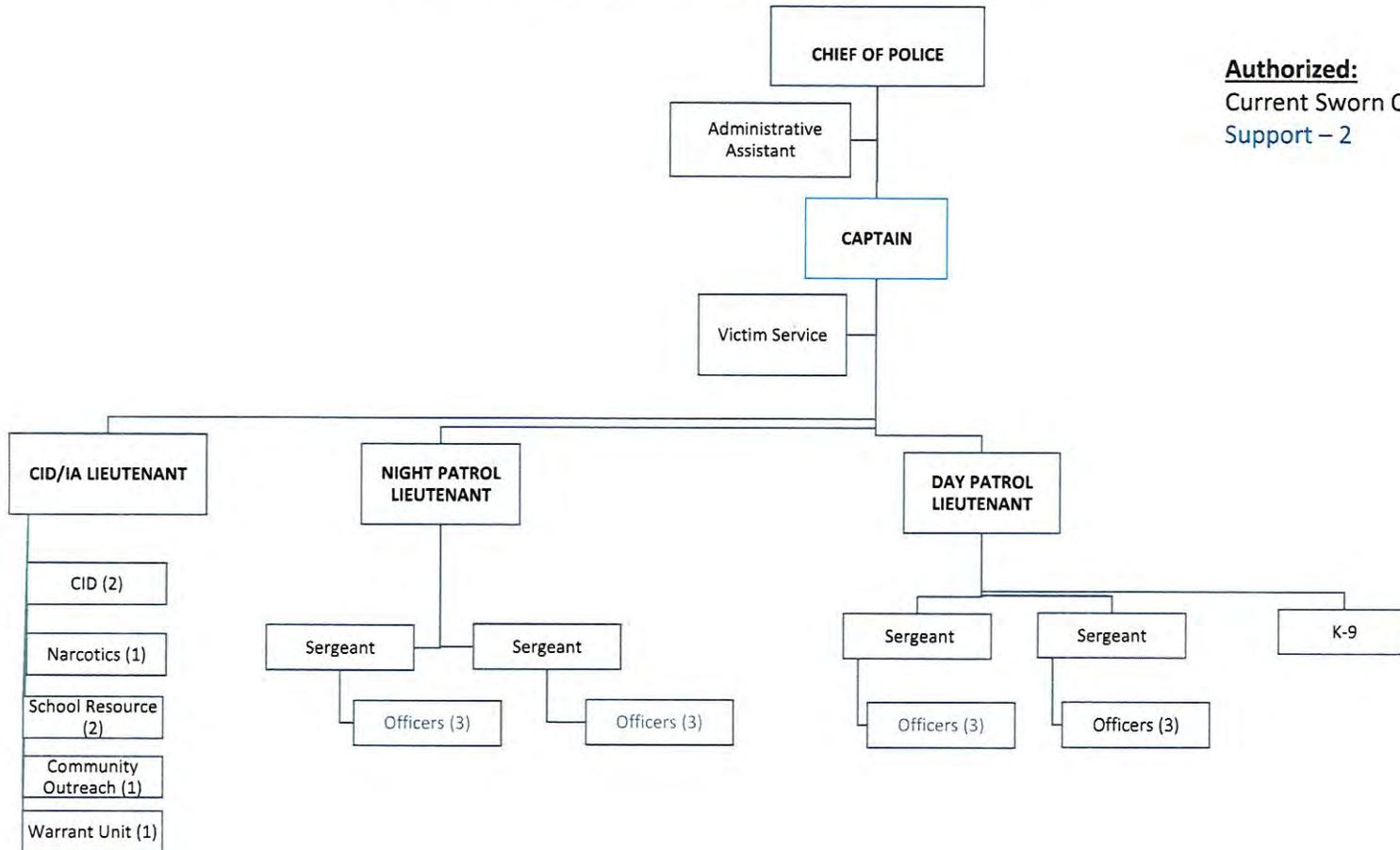


Authorized:
Current Sworn Officers -29
Support – 2
Communications -10
Vacancy -3

2/22/2019

bh1

PROPOSED LOCKHART POLICE DEPARTMENT



Authorized:

Current Sworn Officers -29

Support – 2

**Police Staffing
June 2017**

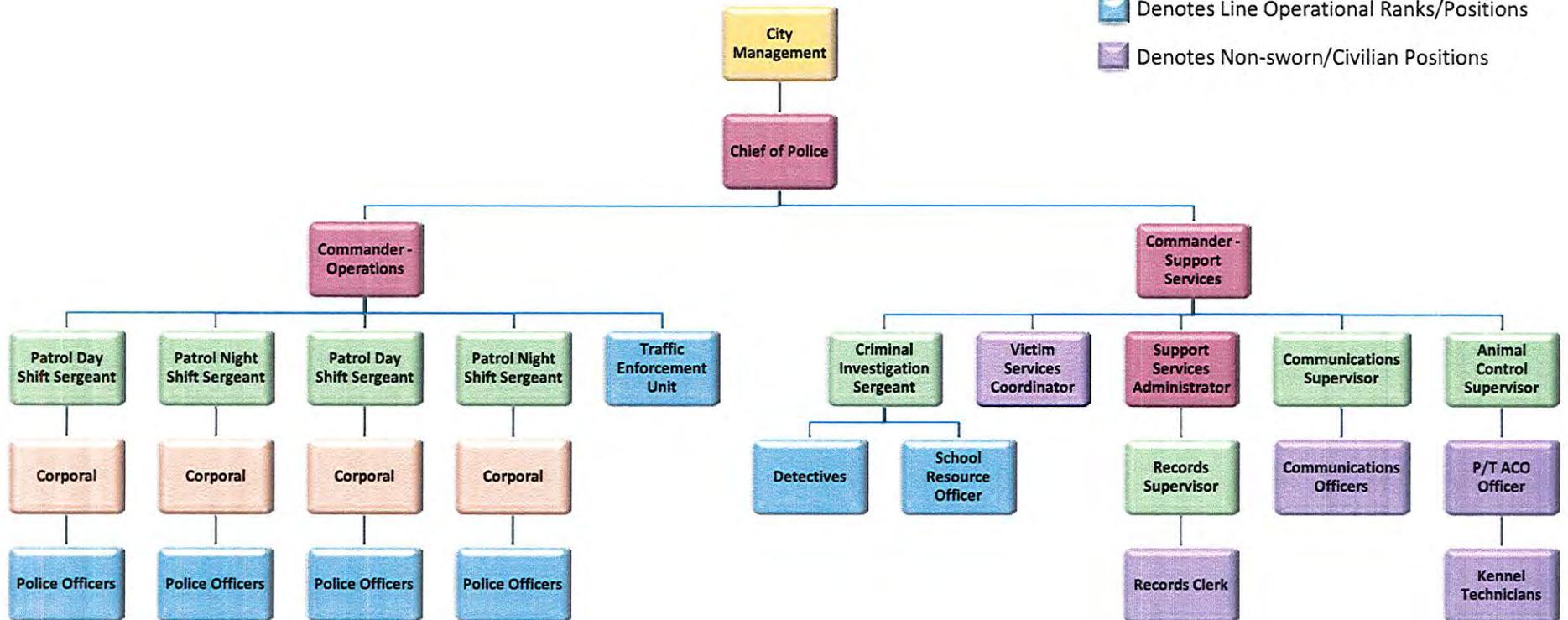
City	Est. Pop	Total Commissioned Officers	Total Officers Per 1000 Capita	Chief	Asst Chief	Captain	Lieutenant	Sergeant	Corporal	Officer	Officers Inc Detectives Ratio (Sgt, Corp, Officer)	Supervisors & Managers	Managers
Bastrop	8,672	22	2.5	1	1	0	0	5	0	15	2.3	7	2
Proposed Lockhart	13,157	29	2.2	1	0	1	3	4	0	20	1.8	9	4
Brenham	16,500	33	2.0	1	0	3	0	7	10	12	1.8	21	4
Taylor	18,291	27	1.5	1	0	2	0	5	4	15	1.3	12	3
Universal City	18,560	40	2.2	1	1	0	4	4	0	30	1.8	10	6
Seguin	30,006	75	2.5	1	1	1	3	6	4	59	2.3	16	6
Schertz	37,000	88	2.4	1	1	0	4	7	12	63	2.2	25	6



TAYLOR POLICE DEPARTMENT

ORGANIZATIONAL CHART AS OF 01.01.18

- Denotes Command Staff Positions
- Denotes Sergeants/Supervisor Positions
- Denotes Corporal Positions
- Denotes Line Operational Ranks/Positions
- Denotes Non-sworn/Civilian Positions

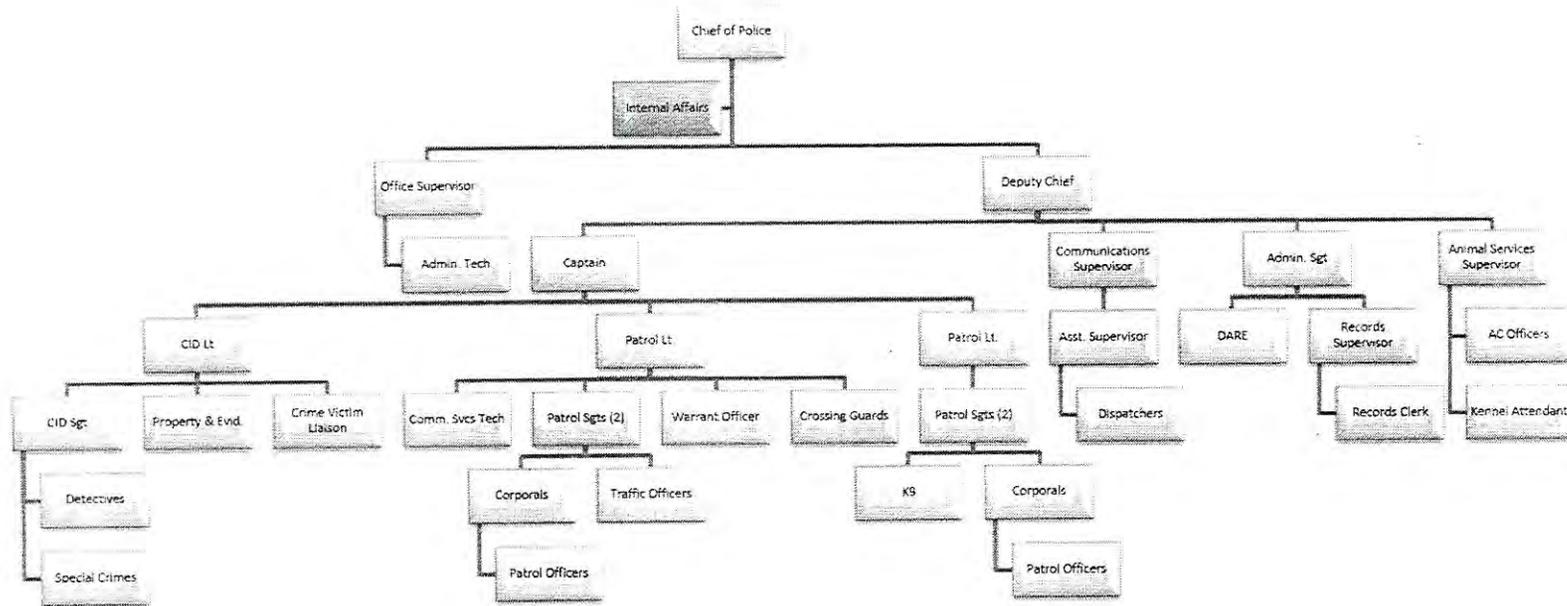


152

ORGANIZATIONAL CHART

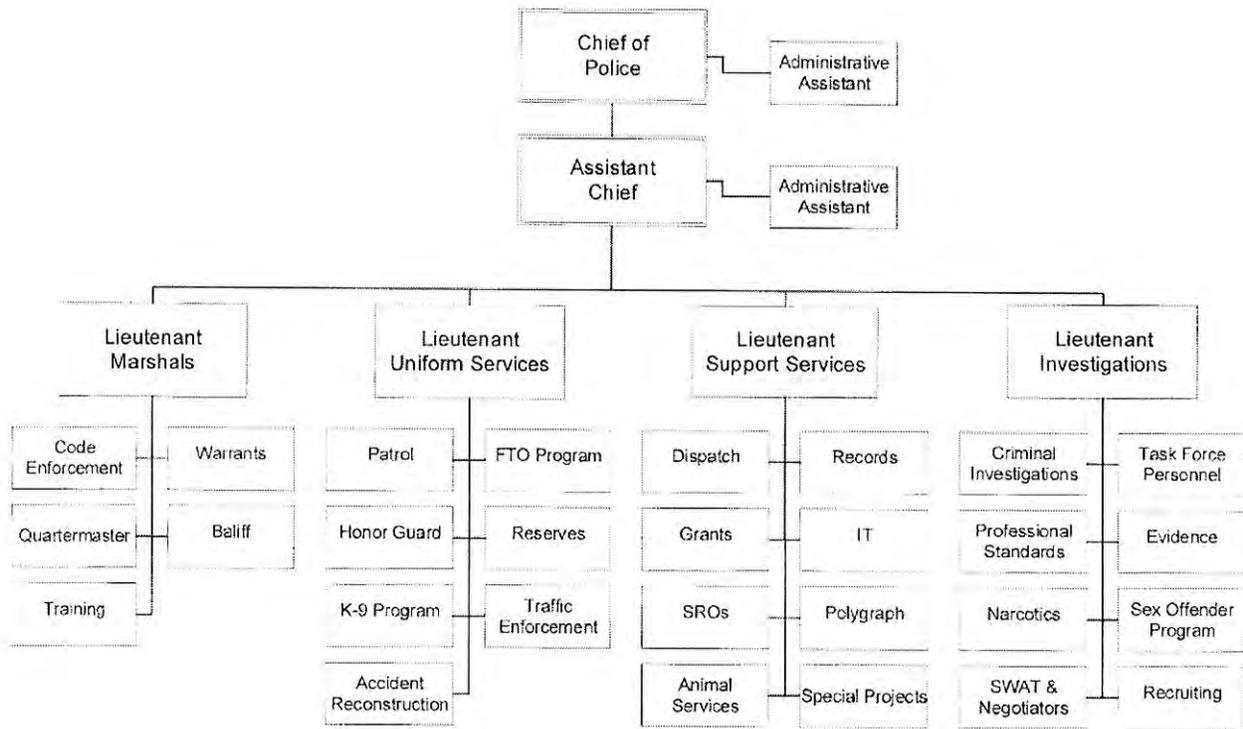
Seguin Police Department Organizational Chart

2017



153

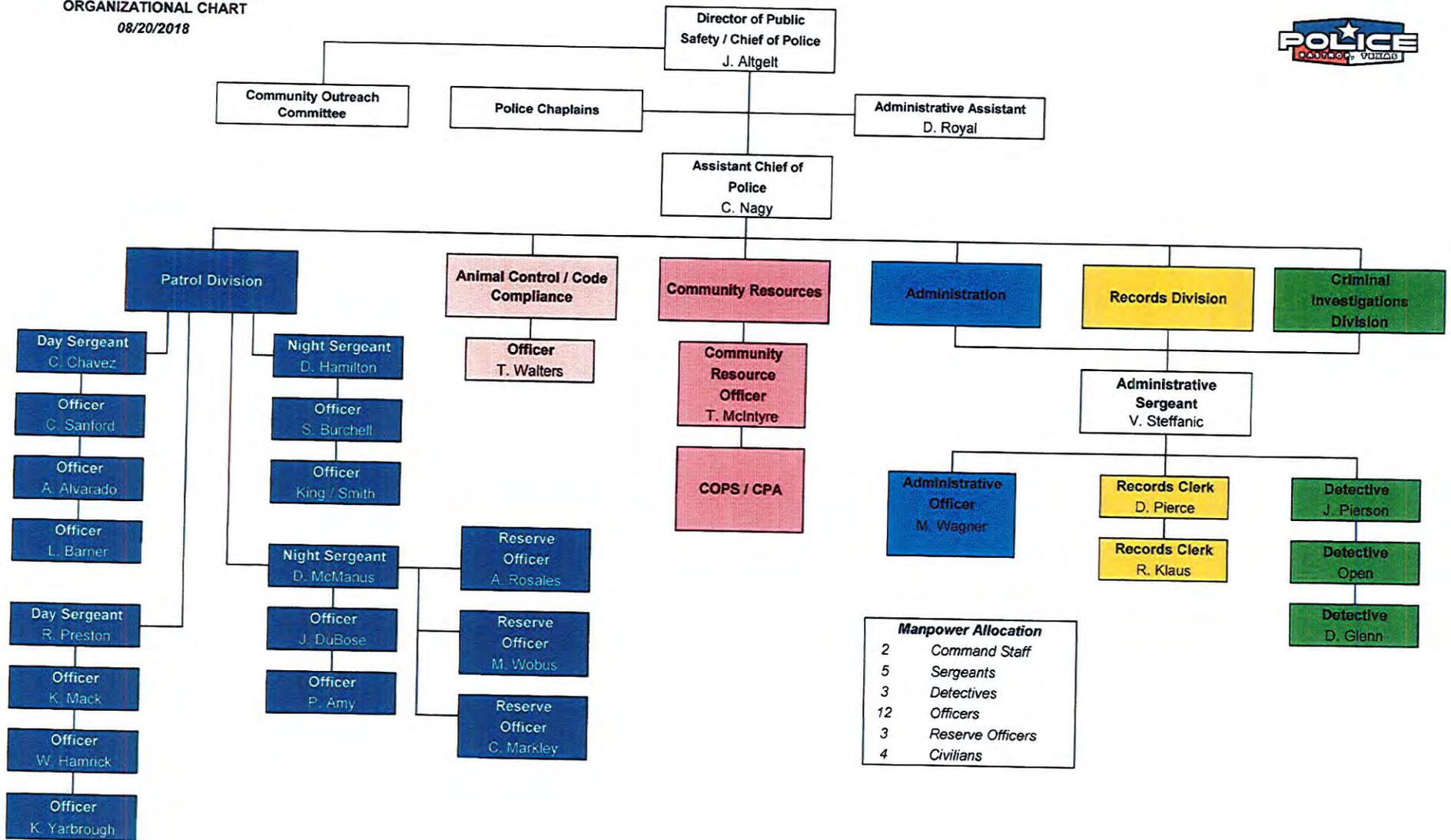
ORGANIZATIONAL CHART



Schertz Police Department
2019
Organizational Chart

Revised January 22, 2019

BASTROP POLICE DEPARTMENT
ORGANIZATIONAL CHART
 08/20/2018



Manpower Allocation	
2	Command Staff
5	Sergeants
3	Detectives
12	Officers
3	Reserve Officers
4	Civilians

155

Job Title: Lieutenant– Field Operations

ESSENTIAL FUNCTIONS - Listed in descending order of frequency; in the Strength Column, S = Sedentary, L = Light, M = Medium, H = Heavy, VH = Very Heavy for Physical Demand Code see table below.

	ESSENTIAL FUNCTIONS	% of time	Strength	Physical Demand Code
5.	Coordinate scheduling of officer training; monitor officer training needs; counsel officers on TCOLE requirements. Attend training seminars and classes throughout the State. Direct local police training using internal or contract instructors. Take firearms qualification test as required.	10	L	A B H I J K M Q R S T
6.	<p>OTHER MISCELLANEOUS DUTIES</p> <ul style="list-style-type: none"> - Special projects assigned by the Chief of Police. -Coordinate special training for ERT members. -Appoint additional duty officers as needed. -Manage forfeited funds. -Assess/order department duty, practice, and tactical ammunitions. -Manage TX 1033 program. -Coordinate activities for National Night Out and other patrol projects. -Coordinate with the Support Lieutenant on information concerning neighborhood watch meetings, school and civic functions. -Coordinate and recommend approval on off duty job applications. - 	10	S	A B C Q R S

PHYSICAL DEMANDS

Job Title: Lieutenant- Field Operations

OVERALL STRENGTH DEMANDS:

___ SEDENTARY X LIGHT ___ MEDIUM ___ HEAVY ___ VERY HEAVY

Physical Demand Code: C = Continuously F = Frequently O = Occasionally R = Rarely

A. STANDING	<u> R </u>	G. REACHING	___	L. CRAWLING	___	Q. VISION	<u> F </u>
B. SITTING	<u> C </u>	H. HANDLING	<u> R </u>	M. BENDING	___	R. HEARING	<u> F </u>
C. WALKING	<u> O </u>	I. FINE DEXTERITY	<u> R </u>	N. TWISTING	___	S. TALKING	<u> F </u>
D. LIFTING	___	J. KNEELING	___	O. CLIMBING	___	T. FOOT	
E. CARRYING	___	K. CROUCHING	___	P. BALANCING	___	CONTROLS	<u> O </u>
F. PUSHING/PULLING	___					U. OTHER	___

This is a description of the way this job is currently performed; it does not address the potential for accommodation.

Physical Demand	Description
SITTING:	Primary work position; to prepare budgets; review staff reports; attend meetings and training seminars; to drive the patrol car.
WALKING/ RUNNING:	From one office to another - on carpet, tile, and concrete; about 100 feet several times a day; at crime scenes on asphalt, grass, concrete, mud or on rough or uneven terrain.
LIFTING/ CARRYING:	Lifting and carrying reports within office building.
HANDLING:	Police equipment, files, reports, reference books, and firearms.
FINE DEXTERITY:	To operate computer; write; operate support equipment during training presentations; fire gun during annual firearms proficiency test.
VISION:	For all paperwork; to use the computer; drive; use firearms.
HEARING/ TALKING:	Interact with staff, other Department Heads and supervisors, the public and personnel for other departments.
FOOT CONTROLS:	To drive patrol car.
STANDING:	To talk to suspects; question witnesses at a scene or examine evidence; testify in court; give citations.

PHYSICAL DEMANDS
(continued)

Job Title: Lieutenant– Field Operations

Physical Demand	Description
PUSHING/ PULLING:	To move vehicles off the road; pull victims from accident scene; push open doors or windows; move obstacles; restrain suspects; push/pull recovered property out of vehicles.
REACHING:	Varying distances to open or crawl through windows; at times to reach into vehicles to assist accident victims, to obtain equipment; check inventory in vehicle; reach shotgun in vehicle.
KNEELING/ CROUCHING/ CRAWLING/ TWISTING/ BENDING:	<p>The nature of police work is such that all types of body positions are assumed to varying degrees; depending on the shift worked and the nature of the calls, the officer may be required to assume positions of kneeling, crouching, crawling, or bending, or twisting in order to:</p> <ul style="list-style-type: none"> - Chase and apprehend a suspect in a narrow, small, or cramped space - Handcuff or restrain a suspect who is attempting to flee, particularly a suspect who has to be brought to the ground and searched - Maneuver around, through, or under various kinds of obstacles - Assist an elderly or disabled person onto a bed or chair from the floor - Assist at the scene of an accident - Extract an accident victim from a vehicle - Move vehicles or assist stranded motorist - Use files in lower file cabinet drawers. - Investigate the scene of a crime.
CLIMBING/ BALANCING:	To go up on roofs; climb stairs in apartment complexes or other buildings; climb ladders to apprehend a suspect or assist in rescue; jump or climb over fences or other obstacles in a chase.

Job Title: Lieutenant– Field Operations

MACHINES, TOOLS, EQUIPMENT AND WORK AIDES

Computer, firearms, police radio, other police equipment on rare occasions, copier, FAX machine, tape recorder.

ENVIRONMENTAL FACTORS

When out in the field, may be exposed to all weather conditions.

PROTECTIVE EQUIPMENT REQUIRED

Carry sidearm and occasionally wear soft body armor.

NON-PHYSICAL DEMANDS

Frequency Codes: F - Frequently

O - Occasionally

R - Rarely

Time Pressures	<u>F</u>	Emergency Situations	<u>O</u>
Noisy/Distracting Environment	<u>F</u>	Tedious Exacting Work	<u>O</u>
Performing Multiple Tasks Simultaneously	<u>O</u>	Working Closely with Others as part of a Team	<u>F</u>
Danger/Physical Abuse	<u>O</u>	Irregular Schedule/Overtime	<u>F</u>
Frequent Changes of Tasks	<u>F</u>	Other (Describe below):	<u> </u>
		Verbal Abuse	<u> </u>

JOB REQUIREMENTS

FORMAL EDUCATION:

High School diploma or G.E.D. required.

EXPERIENCE:

The applicant should have served in that police department in the next lower position or other positions specified by the commission for at least two years immediately before the date the promotional examination is held.

Job Title: Lieutenant– Field Operations

OTHER REQUIREMENTS:

T.C.O.L.E. Peace Officer license; Advanced T.C.O.L.E. Peace Officer certification; No felony convictions; valid Texas driver license.

Clearly speak, write and understand the English language.

Comply with the City's drug free workplace policy.

Pose no direct threat to the health and safety of the employee or others.

Report to work on time and remain on duty for the duration of the workday. Work overtime when needed.

Perform the normal interactive functions of the job and withstand the normal stresses of the workplace and perform under stress and conditions of personal danger.

Accept supervision, constructive criticism, and discipline.

Follow established policies and procedures.

Work cooperatively with fellow employees and supervisor.

Understand, report, and act upon verbal and written instructions and information in stressful situations.

SKILLS

READING:

Read and comprehend police and management journals and periodicals; State, local, and Federal laws; policies and procedures, budgets and contracts; legal decisions and opinions; case reports and criminal activity information sheets; general correspondence; criminal history and driver license reports.

WRITING:

Hand write memorandums, compose letters and policies using the computer, write purchase requisitions, general correspondence, requests for proposals and related specifications; performance evaluations.

MATH:

Use basic math including addition, subtraction, multiplication and division, some algebraic functions, some statistical skills.

SKILLS (continued)

Job Title: Lieutenant– Field Operations

REASONING:

Interpret demographics and statistics; intuitive matching of fact/circumstances with penal code; determine most appropriate charge and relevancy of information; redirect people on task, problem solving, complaint resolutions; work within budget constraints.

SUPERVISORY:

Supervise all sworn commissioned personnel. Conduct performance evaluations and resolves personnel issues.

MANAGERIAL:

Prioritize task assignments, direct and monitor division budget operations and performance to division goals.

INTERPERSONAL:

Interact positively with citizens, provide presentations for training, press and public relations, interact positively with other departmental personnel; provides leadership, works with/directs staff activities.

SIGNATURES - Review and Comment

I have reviewed this job analysis and its attachments and find it to be a fair description of the demands of the job.

- 1. _____
Job Analyst - Print Name and Title Signature _____ Date _____

- 2. _____
Supervisor- Print Name and Title Signature _____ Date _____

- 3. _____
Employee - Print Name and Title Signature _____ Date _____

Comments: _____

162

City of Lockhart, Texas

Council Agenda Item Briefing Data

COUNCIL MEETING DATE: March 5, 2019

AGENDA ITEM CAPTION:

Discussion and/or action regarding the Request for Qualifications document to begin the process to select a new City Attorney.

ORIGINATING DEPARTMENT AND CONTACT: Mayor Lew White and Steve Lewis, City Manager

ACTION REQUESTED:

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

BACKGROUND/SUMMARY/DISCUSSION:

During the March 5th meeting, the City Council directed staff to return with an RFQ for review, comments, and consideration prior to being distributed to individuals interested in the City Attorney contract position.

As previously discussed, a committee comprised of Mayor White, Mayor Pro-Tem Sanchez, City Manager, and a local attorney will review the responses to the RFQ. Subsequent to the last meeting, the Mayor is recommending that the Municipal Court Judge be asked to join the review committee. After the committee makes a recommendation about which applicants to interview, Council will proceed with the interview process.

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: March 5, 2019 – vote for Council to review and approve RFQ for the City Attorney position before it is distributed to interested individuals.

COMMITTEE/BOARD/COMMISSION ACTION: None.

STAFF RECOMMENDATION/REQUESTED MOTION:

Staff seeks direction from the Council.

LIST OF SUPPORTING DOCUMENTS:

- RFQ

Department Head initials:

City Manager's Review:

163

DRAFT

**REQUEST FOR QUALIFICATIONS
FOR
CITY ATTORNEY / LEGAL SERVICES
CITY OF LOCKHART**

The City of Lockhart is soliciting Statements of Qualifications from experienced legal firms or an individual attorney for the purpose of providing legal services to the City of Lockhart on a contractual basis. Legal services include general municipal counsel and city prosecutor. The City requests that one attorney be designated as the point of contact or a lead attorney.

The City is a council-manager form of government with a Mayor and six Council Members. The City Manager reports directly to the City Council and is responsible for the day-to-day affairs of the City. Lockhart's current population is approximately 14,148.

The selected firm or individual shall be licensed to practice law in the State of Texas, and be in good standing with the Texas Bar. Experience with Texas municipalities and knowledge of municipal law, municipal finance, land use and development, and regulation are preferred.

All inquiries regarding the Request for Qualifications should be directed to: Steven Lewis, City Manager.

THE WORK OF THE CITY ATTORNEY

A. General Counsel

The city attorney currently provides all legal services needed by the City for the City Council and administrative staff, except for occasional services that require unusual expertise not ordinarily within the scope of city attorney services, such as Type B economic development sales tax, condemnation counsel in the acquisition of real property, employment/civil service law, bond counsel, and areas of special expertise requiring outside counsel as the parties may mutually agree. Because the City is insured by the Texas Municipal League, the city attorney represents the City in litigation and/or coordinates the representation of the City by legal specialist or TML-IRP appointed attorney. The city attorney reports directly to the City Council.

As routine legal services the city attorney will:

- Advise city officials on matters relating to city business.
- Attend city council meetings.
- Prepare or review staff-developed ordinances, resolutions, contracts, agreements, leases, deeds and related documents.
- Provide legal opinions on matters relating to city activities.

DRAFT

- Participate in the development of staff recommendations for action by the city council.
- Advise and participate in code enforcement activities.
- Make recommendations for updating existing city codes, resolutions and other policies and practices.
- Represent the city in intergovernmental relations as appropriate.
- Advise city officials on state and federal legislation, regulations, and judicial decisions affecting the operations of the city.
- Monitors trends in municipal law and risk management issues.
- Maintain appropriate records and files.
- Assist in meeting election requirements.
- Perform related duties as necessary.

B. City Prosecutor

The city attorney can also serve as the city prosecutor. The municipal court is a non-court of record. The city prosecutor attends all pretrial sessions of municipal court, which is currently held on the third Thursday of every month. The city prosecutor is responsible for prosecution of all municipal court class C misdemeanors at all hearings scheduled, including city ordinance violations and truant conduct cases. The city prosecutor works with defendants and other attorneys, if applicable, to reach plea bargains and diversion agreements. The city prosecutor creates petitions for truant conduct cases as they become available and set all court dates for truant conduct hearings. The city prosecutor works closely with the municipal court Judge, court manager and juvenile case manager.

FORMAT FOR STATEMENT OF QUALIFICATIONS

All pages of the response must be numbered consecutively. The responses shall not exceed fifteen (15) pages in length. Resumes, licenses and work examples shall not count against this page limit.

The responses must be organized in accordance with the list of contents.

Responses should include the following items herein described. All items must fall within the maximum page count.

DRAFT

- A. Letter of Transmittal. All responses must include a cover letter addressed to the City Council, and signed by a duly constituted official. The cover letter must include name, address and telephone number of the proposer, and name, title, address, telephone number, fax number and email address of the person, or persons, to contact who are authorized to represent the proposer and to whom correspondence should be directed.
- B. Table of Contents. Include a clear identification of the material by section and by page number.
- C. Executive Summary. The responses shall use this section to introduce the scope of the proposal; (i.e. full city attorney services; general counsel services only; or city prosecutor services only) and to summarize the key provisions of the proposal. Provide a statement describing why you or the firm is qualified to perform this work.
- D. A description of how you or your firm propose to provide legal services to the city. This should also address issues such as office location; accessibility to city council members and city staff; attendance at city council meetings and occasional other meetings; services, if any, that you would expect to receive from the city; and if a firm, how you propose to manage the firm's provision of services to the city—for example, would there be a lead attorney and, if so, who would that attorney be and how would other attorneys be involved.
- E. Proposed Attorney(s), Paralegals and Qualifications. The responses should:
 - a. Summarize your, or the firm's, background and history; include number of years in business and scope of services you or your firm have provided.
 - b. Describe your municipal legal services, training, experience, and current government clients; include number of years.
 - c. Provide a statement describing the capability to respond to time-sensitive or short notice requests and/or complicated issues.
 - d. Provide at least two examples of complex issues you or your firm have successfully handled for municipal or other public agency clients.
 - e. Provide the date you would be able to begin providing legal services to the city; including how you propose to familiarize yourself with the laws, rules, regulations, and operating procedures relative to the conduct of business for the city in order to efficiently and effectively assume responsibilities.

DRAFT

- f. Provide the name and summary of experience of those who will provide legal support.
 - g. Also, include: a) address of your office where most services will be rendered; b) provide what days of the week and hours of the day you or your firm will be available for conversations.
- F. Work Examples. The proposal should:
- a. Provide examples of two or more memos and letters explaining, interpreting, or applying the law to a client (preferably municipal or public entity).
 - b. Provide two or more recent examples of filed legal briefs regarding a matter under litigation, preferably litigation involving a municipal or public entity.
 - c. Provide two or more recent examples of an ordinance, resolution or other public policy document or rule drafted by you or your firm.
- G. References. Provide contact information for three municipal clients, current and/or prior, so reference checks can be conducted.
- H. Additional Information. Any other information that the proposer feels applicable to the evaluation of the proposal or of their qualifications for accomplishing the legal services should be included in this section. You may use this section to address those aspects of your services that distinguish you or your firm from others.

SUBMITTAL INSTRUCTIONS AND DEADLINE

Sealed submittals are required. Seven (7) copies and one (1) original of the response are to be delivered as described below.

Responses may be mailed to:
City of Lockhart
Attention: City Attorney RFQ
P.O. Box 239
308 W. San Antonio Street
Lockhart, Texas 78644

Alternatively, responses may be delivered to Lockhart City Hall, 308 W. San Antonio Street, Lockhart, Texas 78644 in an envelope addressed to Attention: City Attorney RFQ.

The deadline for submission of responses is 2:00 pm, _____, _____, 2019.

DRAFT

Responses received via mail after the deadline will be returned to the sender unopened. Hand delivered responses will not be accepted after the deadline.

EVALUATION

The city reserves the right to seek clarification of each response submitted. The city also reserves the right to require other evidence of technical, managerial, financial, or other abilities prior to selection.

The city manager will receive all submitted responses. An evaluation committee will be created to review all submitted responses and may select one or more finalists for interviews. Additionally, the city manager or evaluation committee may require submission of supplemental materials. The successful attorney(s) or firm(s) will be the one that in the judgment of the evaluation committee best demonstrates the ability to cover the broadest range of legal services in the most cost-effective manner. Upon completion of the evaluation process by the evaluation committee, the City Council will consider the recommendations of the evaluation committee. The City Council may review responses and conduct interviews with finalists in executive session. No final decision will be made in executive session. Upon completion of the evaluation process, a member designated by the City council will advise the responders of the selection and negotiate the appropriate agreements(s). The agreement(s) will define the extent of services to be rendered, method and amount of compensation. The city reserves the right to negotiate a final contract that is in the best interest of the city. The response to this RFQ will become a part of the agreement. The city attorney serves at the pleasure of the City Council. The contract may be terminated at any time by the City Council. Once a proposed agreement is prepared, it will be presented to the City Council for consideration.

NOTICE/RESERVATION OF RIGHTS

In addition to all other rights granted to it under Texas law, the city reserves the right to waive formalities in the response process; to accept or reject any or all proposals received as a result of this request; to request additional information concerning any proposal; to accept or negotiate modifications to any proposal; to negotiate with qualified attorneys; to interview any proposer; to cancel, in part or in its entirety, the request for qualifications; or to waive any irregularities in any response following the response submission deadline date in order to serve the best interests of the city. The city also reserves the right to negotiate separately with any responder whatsoever, in any manner necessary to serve the best interests of the city. This request for proposals does not commit the city to pay any costs incurred in the preparation of a response.

City of Lockhart, Texas

Council Agenda Item Briefing Data

COUNCIL MEETING DATE: March 19, 2019

AGENDA ITEM CAPTION:

Discuss possible regulations to govern the use of the public sidewalks in the central business district for objects associated with abutting businesses such as benches, chairs and tables, clothing racks, portable statues, signs, and other promotional items.

ORIGINATING DEPARTMENT AND CONTACT: Planning Department – Dan Gibson, City Planner

ACTION REQUESTED:

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

BACKGROUND/SUMMARY/DISCUSSION:

This topic was discussed at the Council’s meeting on February 19th, and staff was asked to prepare possible ordinance language to regulate the use of the public sidewalks downtown. Chapter 50 “Streets, sidewalks, and other places”, Section 50-6 “Landscaping intrusions and obstructions in public sidewalks and streets”, Subsection (b), prohibits the placement of obstacles of any type upon any public sidewalk leaving less than 36 inches of travel area for pedestrians, but lacks other uniform standards to address public safety, fairness in using public property to promote private business for profit, and the over-all appearance of the central business district. Staff has prepared the attached draft ordinance amendments for your review and recommendation. Once the council reaches a consensus, the actual amending ordinance will be placed on the next meeting agenda. Based on our experience with a variety of regulations that are enforced primarily on a complaint basis, it is staff’s recommendation that reasonable and easily enforced standards be adopted for sidewalk obstructions downtown, but without the need for permits or fees. The proposed changes simply expand the existing Section 50-6, as well as amend Section 46-6(b) of the Sign Ordinance to allow portable signs on public sidewalks in the CCB zoning district. We also propose to delete the word “Landscaping” from the title of Section 50-6 because, with the expansion of Subsection (b), Section 50-6 now addresses many other types of obstructions in addition to just landscaping.

PROJECT SCHEDULE (if applicable): Not applicable

AMOUNT & SOURCE OF FUNDING: (to be completed by Finance): Not applicable

FISCAL NOTE (if applicable): Not applicable

COMMITTEE/BOARD/COMMISSION ACTION: None

STAFF RECOMMENDATION/REQUESTED MOTION:

Staff requests agreement on wording for an ordinance to be prepared for consideration at the Council’s next meeting.

LIST OF SUPPORTING DOCUMENTS:

1. Draft ordinance amendments to Chapter 46 “Signs” and Chapter 50 “Streets, sidewalks, and other public places”.
2. Existing Section 46-7(17) of Chapter 46 “Signs”, concerning portable signs. [For reference, only]

Department Head initials:

DG

City Manager’s Review:



Public Sidewalk Obstructions in Central Business District Draft Ordinance Amendments

CHAPTER 46. SIGNS

Sec. 46-6. Prohibited signs and locations.

(b) *Prohibited locations.* Unless required by law or otherwise allowed or permitted by these regulations, no sign or appurtenance thereof shall be placed in the following locations or areas:

(1) On, over, within, or across a public street or right-of-way, except for:

- a. Development identification signs, marquee signs, and wall signs, where allowed;
- b. Signs authorized or required by the local, state, or federal government; ~~and,~~
- c. Banners as provided in subsection 46-7(16); ~~and,~~
- d. Portable signs, as provided in subsection 46-7(17), on public sidewalks in the CCB Commercial Central Business District.

CHAPTER 50. STREETS, SIDEWALKS, AND OTHER PUBLIC PLACES

Article I. In General

Sec. 50-6. ~~Landscaping intrusions~~ Intrusions and obstructions in public sidewalks and streets.

(b) No person shall park or place obstacles of any type upon any public sidewalk ~~leaving less than,~~ except in the CCB Commercial Central Business District, where obstacles must be located adjacent to building walls and provide a minimum of 36 inches of diagonal travel area unobstructed sidewalk width for pedestrians at all times. Obstacles shall not exceed a height of six feet above the sidewalk, block traffic visibility at street intersections, or obstruct the view from the street or sidewalk of address numerals on buildings. Portable signs shall comply with the provisions of Section 46-7(17) of Chapter 46 "Signs". Obstacles shall not occupy any portion of the public sidewalk or curbed area at street intersections that is not immediately abutting a building wall. All obstacles shall be removed from the public sidewalk daily at the close of business. For the purposes of this section, obstacles include but are not limited to privately owned portable signs, statues, bicycle racks, tables, seating, flower pots, planters, merchandise, or other promotional items, but do not include public street furniture and infrastructure such as benches, trash receptacles, bicycle racks, planters, street lights, traffic signage, or other items owned by the City or State government.

NOTE: Added text is underlined, and deleted text is crossed-out. Existing text not shown remains unchanged. Section 46-7(17) referred to herein is attached.

CHAPTER 46. SIGNS

Sec. 46-7. Signs exempt from subsection 46-11(b).

The following signs shall be exempt from the requirements of subsection 46-11(b), except as otherwise noted.

- (17) Portable signs designed to be moved to various locations without disassembly of major components and not permanently affixed to the ground or a structure, subject to the following limitations:
 - a. Allowed only in nonresidential districts.
 - b. No more than one portable sign to be displayed per street frontage of the property on which it is located.
 - c. No sign exceeding 16 square feet in sign area, or six feet in height.
 - d. No connection to any source of electrical power when located outdoors, unless approved by the building official.
 - e. Must be constructed of rigid, durable materials.
 - f. May be displayed only during normal business hours of a business enterprise on the premises, and must be removed daily at the close of business, except for portable signs advertising the sale of agricultural products grown on the premises in the AO Agricultural Open—Space District, where such signs are no required to be removed daily.

City of Lockhart, Texas

Council Agenda Item Briefing Data

COUNCIL MEETING DATE: March 19, 2019

AGENDA ITEM CAPTION: Discussion and/or action regarding allocating the use of \$1,195,750 to implement needed park renovations and additions identified in the 2019/2020 Lockhart Parks and Renovation Project List; to include use of the \$816,800 of funds available for parks in the 2015 Certificates of Obligation and reallocating the remaining balance from City Hall's proposed elevator in the amount of \$237,751 from the 2015 Certificate of Obligation towards Parks, with the remaining \$141,199 to be covered by unrestricted fund balance or budgeted into Capital Projects in the FY 19-20 Budget.

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: The Parks, Recreation, and Open Space Master Plan was adopted on April 17, 2018. The plan identified renovating and updated existing amenities as the number one priority. The City Council held two Park Master Plan Workshops in order to determine what renovations are necessary to increase the functionality and to improve the overall appearance of each park. If funds are reallocated from the City Hall proposed elevator, then the available balance in the 2015 Certificate of Obligation would be \$1,054,551. Depending on the bids for these projects, the remaining \$141,199 budget need will either be covered by existing unrestricted fund balance or budgeted into capital projects in FY 19-20 budget. We plan to use the scheduling sequence as our priority list, finishing the top priorities first. If during our bidding process if we notice a lack of funds to complete these items, then staff will come back to Council for reconsideration.

PROJECT SCHEDULE (if applicable): 18 Months

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

Funds Required: \$1,195,750

Account Number:

Funds Available: \$1,054,551

Account Name: 2015 Certificates of Obligation

FISCAL NOTE (if applicable):

Previous Council Action:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff respectfully recommends approval of the reallocation of funds to allow the City to proceed with necessary park upgrades in the amount of \$1,195,750

LIST OF SUPPORTING DOCUMENTS: Proposed Park Upgrade Budget, Proposed Park Upgrade Sequencing Schedule

Department Head initials:

SK

City Manager's Review:

[Signature]

CITY OF LOCKHART

MARCH 19, 2019

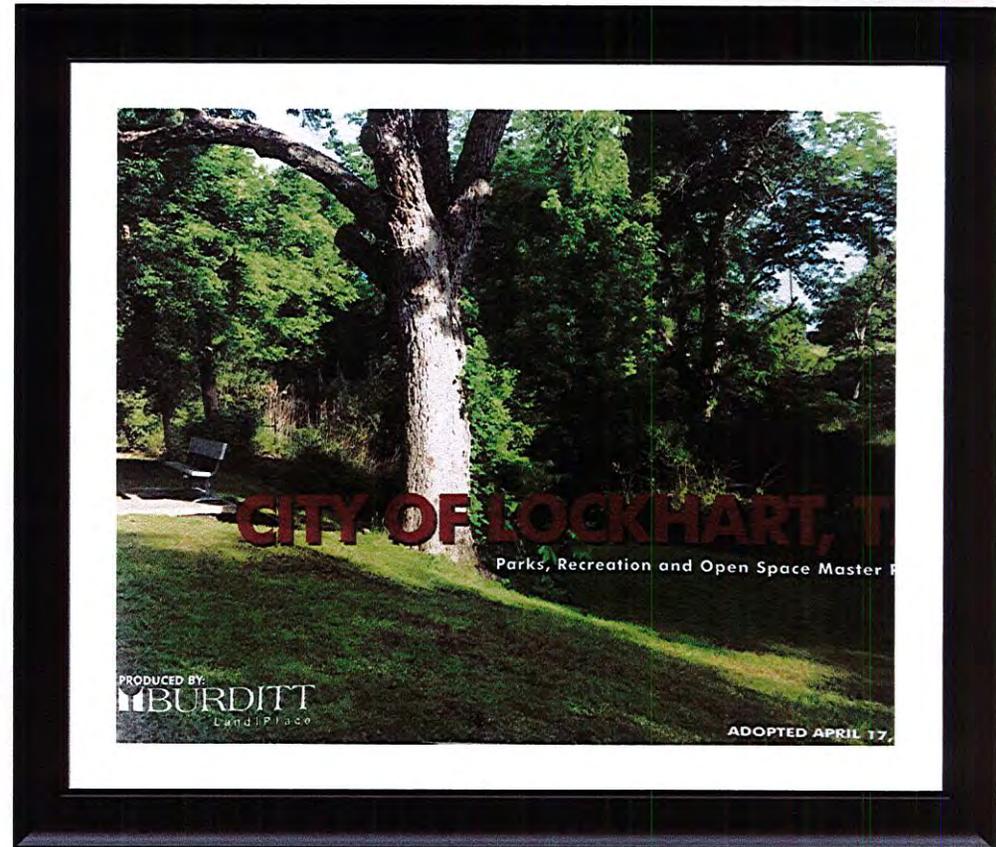
PARKS, RECREATION AND OPEN SPACE MASTER PLAN

“2019/2020 LOCKHART PARKS AND RENOVATION PROJECT LIST”



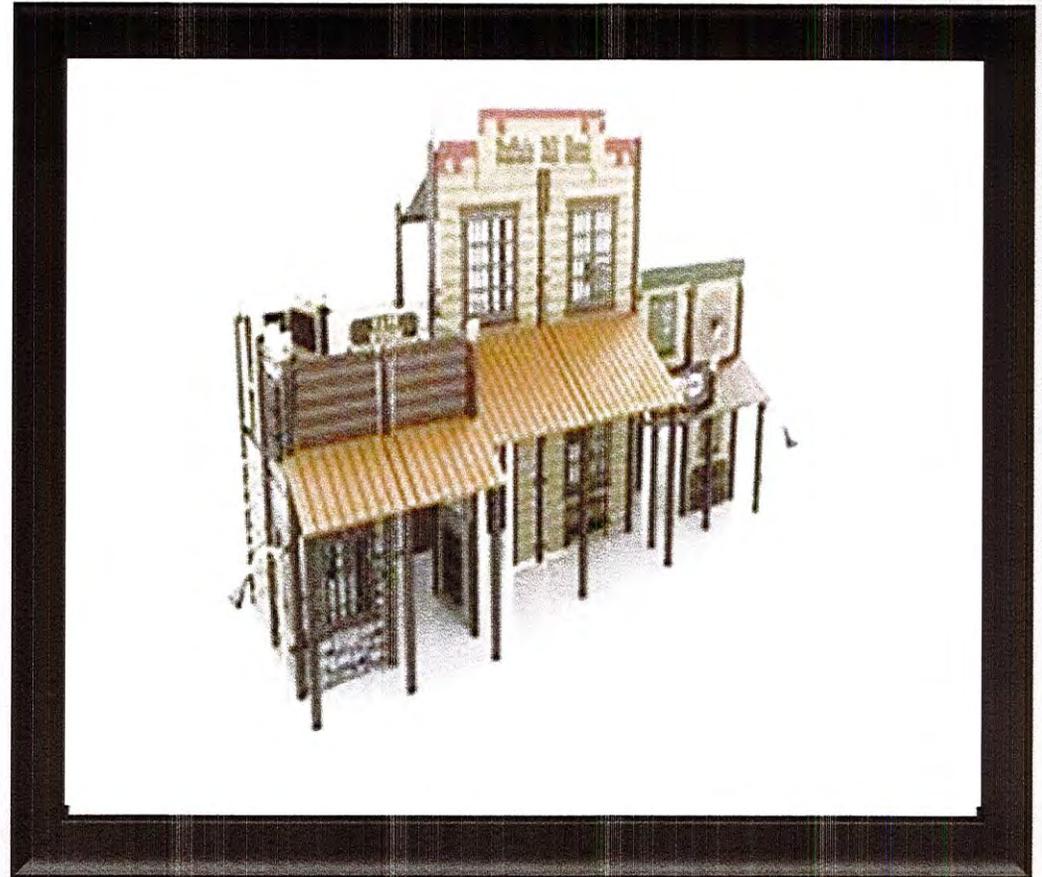
PHASE I- RENOVATIONS & ADDITIONS

- Repair Existing Infrastructure
- Enhance Safety
- Playscapes and Equipment Replacement
- Renovating & Adding Structures
- Beautify Parks with Trees



SCHEDULING & PURCHASING

- Highest Priority Projects to be Completed First
- Bundle Similar Projects to Obtain the Best Prices
- Completion of Phase I Projects Anticipated to Take 18 Months



BUDGETING

FUNDS NEEDED TO COMPLETE PARK PROJECTS

- Proposed Park Renovation and Additions
Budget \$1,195,750

FUNDS AVAILABLE FOR ALLOCATION

- \$816,800-2015 C.O. Parks Dedication
- \$237,751-2015 C.O. City Hall Dedication
- \$141,199-Remaining Budget Needed, to be Covered by Unrestricted Fund Balance or FY19-20 Budget

2019-2020 Lockhart Parks Renovations and Addition Projects

Park	Improvements	Quantity	Unit Cost	Estimated Cost	
City Park Community	New Playscape	1	\$50,000.00	\$50,000.00	
	Wayfinding	5	\$200.00	\$1,000.00	
	Picnic Shelters	5	\$5,000.00	\$25,000.00	
	Pier Cover	1	\$5,000.00	\$5,000.00	
	Dog Park	1	\$45,000.00	\$45,000.00	
	Restroom Upgrade	2	\$30,000.00	\$60,000.00	
	Lighting Upgrades	40	\$500.00	\$20,000.00	
	Parking Lot Upgrade	1	\$30,000.00	\$30,000.00	
	Roads	1	\$100,000.00	\$100,000.00	
	Security System	1	\$50,000.00	\$50,000.00	
	Sports Complex Community	Signs	1	\$500.00	\$500.00
		New Playscape	1	\$50,000.00	\$50,000.00
	Pecos Neighborhood	Batting Cage	1	\$10,000.00	\$10,000.00
Pavilion		1	\$10,000.00	\$10,000.00	
LaFleur Complex Community	Signs	1	\$500.00	\$500.00	
	Update restrooms	1	\$30,000.00	\$30,000.00	
	Playscape Cover	1	\$25,000.00	\$25,000.00	
	Shade Structures	5	\$25,000.00	\$125,000.00	
	Splash Pad	1	\$100,000.00	\$100,000.00	
Nueces Neighborhood	Picnic Tables	5	\$1,850.00	\$9,250.00	
	Trees	20	\$450.00	\$9,000.00	
	Picnic Tables	5	\$1,850.00	\$9,250.00	
	New Playscape	1	\$50,000.00	\$50,000.00	
	Restroom Upgrade	1	\$30,000.00	\$30,000.00	
Santos Arredondo Neighborhood	Upgrade Lighting	4	\$500.00	\$2,000.00	
	Bridge	1	\$10,000.00	\$10,000.00	
	Signs	2	\$500.00	\$1,000.00	
	Wayfinding Signs	1	\$500.00	\$500.00	
Navarro Springs Neighborhood	Playscape Cover	1	\$25,000.00	\$25,000.00	
	Signage	1	\$500.00	\$500.00	
Lions Park Community	trees	10	\$450.00	\$4,500.00	
	Playscape Cover	1	\$25,000.00	\$25,000.00	
	Historical Playscape	1	\$80,000.00	\$80,000.00	
	Replace Bridges	3	\$10,000.00	\$30,000.00	
Braun Park Neighborhood	Restroom Upgrade	1	\$30,000.00	\$30,000.00	
	Upgrade Lights	9	\$500.00	\$4,500.00	
	Covered Picnic Areas	4	\$25,000.00	\$100,000.00	
	Replace shade screen	1	\$1,500.00	\$1,500.00	
	Playscape Cover	1	\$25,000.00	\$25,000.00	
Senior Center	Lighting Pending Citizen Feedback	1	\$2,000.00	\$2,000.00	
	Trees	15	\$450.00	\$6,750.00	
	Building Upgrades	1	\$3,000.00	\$3,000.00	
	Total			\$1,195,750.00	

2019-2020 Lockhart Parks Renovations and Addition Projects Prioritized and Bundled

Infrastructure/Safety/Security	Total Needed	Total Cost
Roads/Parking Lot Upgrade	2	\$130,000.00
Lighting	53	\$26,500.00
Braun Park Lighting	1	\$2,000.00
Security	1	\$50,000.00
Bridge	4	\$40,000.00
Total		\$248,500.00
Park Equipment	Total Needed	Total Cost
Playscapes	3	\$150,000.00
Historical Playscape	1	\$80,000.00
Total		\$230,000.00
Shade Structures	Total Needed	Total Cost
Pier Cover	1	\$5,000.00
Playscape Cover	4	\$100,000.00
Replace Shade Screen	1	\$1,500.00
Shade Structures	5	\$125,000.00
Total		\$231,500.00
Building Upgrades	Total Needed	Total Cost
Senior Center Upgrades	1	\$3,000.00
Restroom Upgrades	5	\$150,000.00
Total		\$153,000.00
Signs	Total Needed	Total Cost
Park Signs	6	\$3,000.00
Wayfinding Signs	5	\$1,000.00
Total		\$4,000.00
Site Amenities	Total Needed	Total Cost
Stone Picnic Shelter	4	\$100,000.00
Picnic Tables & Pad	10	\$18,500.00
Pavilion Upgrade	1	\$10,000.00
Picnic Shelters	5	\$25,000.00
Total		\$153,500.00
New Features	Total Needed	Total Cost
Batting Cages	1	\$10,000.00
Dog Park	1	\$45,000.00
Splash Pad	1	\$100,000.00
Total		\$155,000.00
Trees	Total Needed	Total Cost
Trees	45	\$20,250.00
Total		\$20,250.00
Grand Total		\$1,195,750.00

177

City of Lockhart, Texas

Council Agenda Item Briefing Data

COUNCIL MEETING DATE: March 19, 2019

AGENDA ITEM CAPTION:

Discussion and/or action to consider Resolution 2019-09 adopting Strategic Priorities for 2019-2020.

ORIGINATING DEPARTMENT AND CONTACT: Mayor White and 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 February 1, 2019 followed by a Council goals retreat on February 2, 2019. The retreats were a success that produced the 2019-2020 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 February 2, 2019 where the list of priorities were determined.

COMMITTEE/BOARD/COMMISSION ACTION: None.

STAFF RECOMMENDATION/REQUESTED MOTION:

Staff recommends approval of Resolution 2019-09 adopting the 2019-2020 Strategic Priorities.

LIST OF SUPPORTING DOCUMENTS:

- Resolution 2019-09 with adopted 2019-2020 Strategic Priorities.

Department Head initials:

City Manager's Review:



(78)

RESOLUTION 2019-09

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS,
ADOPTING STRATEGIC PRIORITIES FOR 2019-2020**

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 2019-2020 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 19th day of March, 2019.

CITY OF LOCKHART, TEXAS

Lew White, Mayor

ATTEST:

APPROVED AS TO FORM:

Connie Constancio, City Secretary

Peter Gruning, City Attorney



City of Lockhart

2019-2020 Strategic Priorities

Prepared by:



180

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?

193
66

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

194

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?

195

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.

LIST OF BOARD/COMMISSION VACANCIES

Updated: March 12, 2019

Board Name	Reappointments/Vacancies	Council member
Board of Adjustment	Nic Irwin moved to Lockhart Economic Development Corp.	Any Councilmember
Construction Board	Ralph Gerald resigned 3-11-2019	Mayor White
Electric Board	Thomas Herrera resigned 3-7-2019	Councilmember Mendoza

APPLICATIONS RECEIVED TO BE ON A BOARD/COMMISSION

APPLICANT	BOARD REQUESTED	DATE RECEIVED	RESIDENCE DISTRICT
Suzy Falgout	Construction Board Historic Preservation Commission Parks & Recreation Any other Board where needed	08/20/2018	Currently resides outside city limits. Is renovating future residence on Commerce St.

198
861

Connie Constancio

From: Shane Mondin
Sent: Monday, March 11, 2019 4:58 PM
To: Connie Constancio
Subject: CBOA Resignation

I regretfully have to report to you that I just received a call from Ralph Gerald. He has given me a verbal resignation from the CBOA.
Thanks.

<p>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>	
<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; CONSTRUCTIO N 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>

200

Sec. 2-209. - Rules for appointment.

The city council hereby sets the following rules:

- (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.
- (6) 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.

Section 2-210. Method of selection; number of members; terms.

- (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.

Sec. 2-212. Removal and resignation of members.

- (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.

NOTES:
ORDINANCE
RE: ALL
BOARD,
COMMISSION
APPOINTMENTS

201

<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>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>

202

COUNCILMEMBER BOARD/COMMISSION APPOINTMENTS

Councilmember	Board/Commission	Appointee	Date Appointed
Mayor – Lew White	Airport Board	John Hinnekamp	12/19/17
	Board of Adjustment	Mike Annas	12/19/17
	Construction Board	VACANT-R.Gerald resigned 3-11-19	
	Ec Dev. Revolving Loan	Barbara Gilmer	12/19/17
	Ec Dev. Corp. ½ Cent Sales Tax	Alan Fielder, Vice-Chair	12/19/17
	Electric Board	Joe Colley, Chair	12/19/17
	Historical Preservation	John Lairsen	12/19/17
	Library Board	Stephanie Riggins	12/19/17
	Parks and Recreation	Albert Villalpando, Chair	12/19/17
	Planning & Zoning	Paul Rodriguez	12/19/17
	ETJ Rep-Impact Fee Adv Comm	Larry Metzler	12/19/17
District 1 – Juan Mendoza	Airport Board	Larry Burrier	03/07/17
	Board of Adjustment	Lori Rangel	03/07/17
	Construction Board	Mike Votee	03/07/17
	Eco Dev. Revolving Loan	Ryan Lozano	03/07/17
	Eco Dev. Corp, ½ Cent Sales Tax	Dyral Thomas	03/07/17
	Electric Board	VACANT- Herrera resigned 3-7-19	
	Historical Preservation	Victor Corpus	03/07/17
	Library Board	Shirley Williams	03/07/17
	Parks and Recreation	Linda Thompson-Bennett	03/07/17
	Planning & Zoning	Marcos Villalobos	03/07/17
District 2– John Castillo	Airport Board	Reed Coats	03/07/17
	Board of Adjustment	Juan Juarez	03/07/17
	Construction Board	Oscar Torres	05/15/18
	EcoDev. Revolving Loan	Rudy Ruiz	03/07/17
	Eco Dev. Corp. ½ Cent Sales Tax	Umesh Patel	08/09/18
	Electric Board	James Briceno	03/07/17
	Historical Preservation	Ron Faulstich	03/07/17
	Library Board	Donnie Wilson	03/07/17
	Parks and Recreation	James Torres	03/07/17
	Planning & Zoning	Rob Ortiz, Alternate Manuel Oliva	03/07/17 03/07/17

203

COUNCILMEMBER BOARD/COMMISSION APPOINTMENTS

District 3 – Kara McGregor	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	Ray Chandler Anne Clark, Vice-Chair Kirk Smith (Alternate) Jerry West, Vice-Chair Lew White, Chair Nic Irwin Thomas Stephens Ronda Reagan Jean Clark Fox, Chair Warren Burnett Philip McBride, Chair	02/06/18 12/19/17 12/05/17 01/02/18 12/19/17 12/05/17 12/19/17 12/19/17 12/19/17 12/05/17 12/19/17
District 4 - Jeffry Michelson	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	Mark Brown, Vice-Chair Wayne Reeder Rick Winnett Frank Coggins Morris Alexander Ian Stowe Kathy McCormick Donaly Brice Russell Wheeler Rick Arnic	03/07/17 12/05/17 12/05/17 12/05/17 12/05/17 03/06/18 12/05/17 12/05/17 12/05/17 12/05/17 01/15/19
Mayor Pro-Tem (At-Large) – Angie Gonzales-Sanchez	Airport Board Board of Adjustment Construction Board Eco Dev. Revolving Loan Eco Dev. Corp. ½ Cent Sales Tax Historical Preservation Library Board Parks and Recreation Planning & Zoning	Andrew Reyes Laura Cline, Chair Paul Martinez Irene Yanez Alfredo Munoz Juan Alvarez, Jr. Jodi King Chris Schexnayder Philip Ruiz, Vice-Chair	03/07/17 03/07/17 03/07/17 03/07/17 06/06/17 03/07/17 03/07/17 03/07/17 03/07/17

204

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 Christina Black	03/07/17 03/07/17 03/07/17 03/07/17 03/07/17 11/21/17 03/07/17 03/07/17 03/07/17
	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

205

	Church Property Ad-hoc Committee (7 members)	Amelia Smith Jackie Westmoreland Todd Blomerth Andy Govea Terry Black Jane Brown Raymond DeLeon Dyrall Thomas	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
	Wayfinding Signage and Community Branding Ad-Hoc Committee (5 members) THIS COMMITTEE WAS - RE-ESTABLISHED ON MARCH 5, 2019	Roy Watson Ronda Reagan Sally Daniel Rob Ortiz Bobby Herzog	03/05/19 03/05/19 03/05/19 03/05/19 03/05/19 Appointed by Mayor with consensus of Council

206

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.
IC	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
IC	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 9/30/15

Description		2016	2017	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																						
2009 Tax & Revenue		40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000								520,000
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	40,000	40,000	40,000								520,000
LEDC																						
2008 GO Refunding		300,000																				300,000
2015 Tax & Revenue		37,357	48,093	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	1,182,139
Total LEDC Fund P & I		337,357	48,093	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	1,482,139
2015 Capital Projects Fund																						
2015 Tax & Revenue		122,620																				122,620
Total 2015 Capital Projects Fund		122,620	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	122,620
Drainage																						
2008 GO Refunding	31.00%	100,000																				100,000
2015 Tax & Revenue		100,000	116,289	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	2,016,289
Total Drainage Fund P & I		200,000	116,289	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	2,116,289
General Fund																						
2008 GO Refunding		91,210																				91,210
2015 Tax & Revenue		-																				-
Total General Fund P & I		91,210	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	91,210
Debt Service Fund																						
2009 Tax & Rev CO's	100.00%	333,210	331,060	328,972	327,883	336,575	329,615	737,655	742,642	741,325	743,920	750,210	749,978	753,440								7,206,485
2006 Tax & Rev CO's	100.00%	50,455	48,815	47,175	50,535	48,690	46,845															292,515
2006-A Tax & Rev CO's	93.00%	266,916	267,594	267,890	267,803	267,332	271,128															1,608,664
2015 Tax & Revenue	12.00%	91,487	117,779	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	2,895,035
Total Debt Service Fund P & I		742,068	765,248	761,816	763,880	770,400	765,511	893,522	898,569	896,868	899,535	905,855	905,839	909,409	160,769	160,517	160,592	160,365	160,602	160,502	160,831	12,002,699
Total General Government		1,533,255	969,630	949,909	951,924	958,503	953,663	1,097,167	1,102,239	1,100,381	1,103,078	1,109,410	1,109,482	1,113,096	326,416	326,061	326,167	325,847	326,181	326,040	326,507	16,334,957

City of Lockhart
Future Debt Payments as of 9/30/15

Description		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL DEBT
Proprietary																						
Electric Fund																						
2008 GO Refunding	3.59%	40,379																				40,379
2013 SIB Loan	30.81%	71,151	71,151	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			1,280,721
Total Electric Fund P & I		111,530	71,151	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	-	-	1,321,100
Water Fund																						
2006A Tax & Rev CO's	7.00%	20,090	20,142	20,164	20,157	20,122	20,408															121,082
2008 GO Refunding	36.38%	409,192																				409,192
2009 GO Refunding	86.69%	165,829	165,775	165,656	165,477	169,357	168,625	167,709	170,852	169,384	171,937	174,082	171,534	177,194								2,203,410
2015 Tax & Revenue	49.60%	378,148	486,818	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	11,966,146
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	82,676	82,676			1,488,169
Total Water Fund P & I		1,055,935	755,411	755,314	754,632	759,071	759,122	894,633	898,024	894,969	897,820	900,089	898,433	904,540	747,186	746,144	746,454	745,518	746,498	663,406	664,800	16,187,999
Sewer Fund																						
2008 GO Refunding	16.36%	183,990																				183,990
2009 GO Refunding	13.31%	25,461	25,452	25,434	25,407	26,002	25,890	25,749	26,232	26,006	26,398	26,728	26,336	27,206								338,302
2015 Tax & Revenue	4.30%	32,783	42,204	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	1,037,388
2015 Tax & Revenue	TRNSF		170,305	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	4,905,677
2013 SIB Loan	33.39%	77,102	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	77,103	77,102	77,102			1,387,844
Total Sewer Fund P & I		319,336	315,064	331,334	330,973	331,971	332,193	437,979	438,629	437,331	437,915	438,338	438,549	439,721	425,914	425,210	425,421	424,788	425,449	348,067	349,017	7,853,201
Airport Fund																						
2000 Airport	100.00%																					-
Total Airport Fund P & I		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Proprietary Fund P & I		1,486,801	1,141,626	1,157,799	1,156,757	1,162,193	1,162,466	1,403,764	1,407,804	1,403,451	1,406,887	1,409,579	1,408,133	1,415,412	1,244,252	1,242,505	1,243,026	1,241,458	1,243,099	1,011,473	1,013,817	25,362,300
Grand Total		3,020,056	2,111,256	2,107,708	2,108,681	2,120,696	2,116,129	2,500,931	2,510,043	2,503,832	2,509,965	2,518,989	2,517,615	2,528,508	1,570,668	1,568,566	1,569,193	1,567,305	1,569,280	1,337,513	1,340,324	41,697,257

