

**LOCKHART CITY COUNCIL
REGULAR MEETING**

AUGUST 20, 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:

Steven Lewis, City Manager
Monte Akers, City Attorney
Sean Kelley, Public Works Director
Mike Kamerlander, Economic Development Director

Connie Constancio, City Secretary
Pam Larison, Finance Director
James Jewell, EMS Director

Citizens/Visitors Addressing the Council: Eduardo Montana of Guadalupe-Blanco River Authority; Jim Young, Investor; Jeff Limberg of Promogo; and, Fred Weber, Caldwell County District Attorney.

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. DISCUSSION REGARDING THE CITY OF LOCKHART'S PROPOSED BUDGET FOR FISCAL YEAR 2019-2020.

Ms. Larison provided information regarding the proposed Fiscal Year 2019-2020 budget.

Eduardo Montana of GBRA provided information regarding several changes in employee positions in the Fiscal Year 2019-2020 budgets.

James Jewell of EMS provided information and there was discussion about the EMS budget. There was discussion regarding an ambulance replacement schedule.

Mr. Lewis provided information and there was discussion about the following items that are included in the proposed budget:

- 7% wage increase for firefighters to be more competitive with surrounding entities.
- 3% wage increase across the board for all city employees.
- Conduct a space study of City Hall and Public Works facilities. The study would include facility improvements such as renovations, parking and public safety measures.
- Conduct classification study that will assist with creating a compensation and certification program for employees.
- Sidewalks repairs.
- Public Safety radio replacement program.
- Municipal Court Judge salary increase.
- New and improved sidewalks throughout the city.

Mayor White announced that the Council would recess for a break at 7:21 p.m.

REGULAR MEETING

ITEM 1. CALL TO ORDER.

Mayor Lew White called the meeting to order at 7:35 p.m.

ITEM 2. INVOCATION, PLEDGE OF ALLEGIANCE.

Mayor White gave the Invocation and led the Pledge of Allegiance to the United States and Texas flags.

ITEM 3. CITIZENS/VISITORS COMMENTS.

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

ITEM 4-A. HOLD A PUBLIC HEARING ON THE CITY OF LOCKHART AND ECONOMIC DEVELOPMENT CORPORATION FISCAL YEAR 2019-2020 BUDGETS.

Mayor White opened the public hearing at 7:36 p.m.

Ms. Larison stated that the City Charter requires that the City Council hold a public hearing for the Fiscal Year 2019-2020 budget. Notice of public hearings for the City of Lockhart and Lockhart Economic Development Corporation Fiscal Year 2019-2020 budgets was published in the Lockhart Post Register on August 15, 2019. She announced that the budgets are available for viewing on the city's website, at City Hall and at the Library. She stated that the second public hearing would be held on September 3, 2019 at 7:30 p.m. at the Clark Library-Council Chambers, 217 South Main Street, 3rd Floor, Lockhart, Texas. Adoption of the budgets would be considered on September 17, 2019.

Mayor White requested citizens in favor of or against the City of Lockhart and Lockhart Economic Development Corporation budgets to address the Council. There were none. He closed the public hearing at 7:39 p.m.

ITEM 4-B. HOLD THE FIRST OF TWO PUBLIC HEARINGS ON PROPOSAL TO INCREASE TOTAL TAX REVENUES FROM PROPERTIES ON THE TAX ROLL IN THE PRECEDING YEAR BY 7.5287 PERCENT. THE DATE OF THE SECOND PUBLIC HEARING WILL BE SEPTEMBER 3, 2019 AT 7:30 P.M. AND THE VOTE ON THE TAX RATE WILL BE SEPTEMBER 17, 2019 AT 7:30 P.M. AT THE CLARK LIBRARY ANNEX-COUNCIL CHAMBERS, 217 SOUTH MAIN STREET, 3RD FLOOR, LOCKHART, TEXAS 78644.

Mayor White opened the public hearing at 7:39 p.m.

Ms. Larison stated that this is the first of two public hearings concerning the increase of tax revenues if the proposed tax rate exceeds the effective rate proposed by the Caldwell County Appraisal District. These public hearings are required by the Truth in Taxation laws of the State of Texas.

Mayor White requested citizens in favor of or against the proposed tax rate to address the Council. There were none. He closed the public hearing at 7:44 p.m.

ITEM 4-C. DISCUSSION AND/OR ACTION REGARDING THE CITY OF LOCKHART'S PROPOSED BUDGET FOR FISCAL YEAR 2019-2020.

There was discussion.

The consensus of the Council was to include the following in the Fiscal Year 2019-2020 City of Lockhart budget:

- Funding the space and employee classification/compensation studies.
- Increase Firefighter salaries by 7%.
- Increase all city employee wages by 3%.
- Public Safety radio replacement program.
- Municipal Court Judge salary increase.
- New and improved sidewalks.

Mayor White announced that the Council would move forward with additional agenda items. The Council would continue discussion about the Fiscal Year 2019-2020 proposed budget later in this meeting.

ITEM 5-A. CONDUCT FIRST READING AND DISCUSSION REGARDING RESOLUTION 2019-19 APPROVING A TYPE B PROJECT UNDER SECTION 4B OF THE TEXAS ECONOMIC DEVELOPMENT CORPORATION ACT OF 1979, AS AMENDED, FOR FUNDING OF PROMOGO (PROJECT PROMO) IN AN AMOUNT NOT TO EXCEED \$500,000 TO RELOCATE ITS CORPORATE HEADQUARTERS TO LOCKHART WHICH WILL CREATE A NEW INDUSTRY IN LOCKHART WITH 30 JOBS OVER THE NEXT FIVE YEARS.

Mike Kamerlander provided information regarding Project Promo and read Resolution 2019-19.

Jim Young, Investor, explained that he encouraged and assisted Promogo in locating to Lockhart. He spoke in favor of job creation in Lockhart, and Promogo is offering.

Jeff Limberg, CEO of Promogo, provided information regarding their company. He requested approval of the Resolution and stated that Promogo looks forward to having their business in Lockhart.

ITEM 5-B. DISCUSSION AND/OR ACTION TO CONSIDER MINUTES OF THE CITY COUNCIL MEETING OF AUGUST 6, 2019.

Mayor White requested corrections. There were none.

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

ITEM 5-C. DISCUSSION AND/OR ACTION REGARDING ORDINANCE 2019-17 AMENDING THE CITY'S CODE OF ORDINANCES, CHAPTER 8, AMUSEMENTS AND ENTERTAINMENT, BY ADDING ARTICLE IV, GAME ROOM ESTABLISHMENTS, AND ADDING ARTICLE XV, GAME ROOM ESTABLISHMENTS TO APPENDIX C, FEE SCHEDULE.

Chief Pedraza provided information regarding the game room establishments and the regulations listed in the ordinance.

Fred Weber, Caldwell County District Attorney, requested approval of the gaming ordinance. It would assist in regulating game rooms and eliminating unwanted illegal activity that generates from these types of businesses.

Mr. Akers pointed out corrections to the Ordinance such as the caption to remove the reference to a fee schedule.

Mayor Pro-Tem Sanchez made a motion to approve Ordinance 2019-17, as presented and as amended. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

ITEM 5-D. DISCUSSION AND/OR ACTION TO CONSIDER A DATE TO CANVASS THE NOVEMBER 5, 2019 GENERAL ELECTION BETWEEN THE DATES OF NOVEMBER 12-18, 2019 AND POSSIBLY RESCHEDULING THE NOVEMBER 19, 2019 COUNCIL MEETING FOR CANVASSING.

Ms. Constancio stated that upon receipt of the Texas Secretary of State's (SOS) Election Calendar for the November 5, 2019 election, staff realized that the last day to canvass is November 18, 2019. The canvassing period is dictated by the SOS pursuant to the Texas Election Code as follows:

- 3rd day after Election (Nov 8) = First possible day to canvass (not recommended because provisional ballots remain to be processed).
- 9th day after Election (Nov 14) = Last day Early Voting Ballot Board (EVBB) can meet to count provisional ballots.
- 13th day after Election (Nov 18) = Last day to canvass election.

The County Elections Administrator (EA) informed staff that the EVBB will meet on Tuesday, November 12, 2019 to consider/count provisional ballots. Staff recommends that the Council reschedule the November 19, 2019 meeting to Thursday, November 14, 2019 to enable the County EA to provide the final unofficial election results to enable the Council to canvass the election.

Mayor Pro-Tem Sanchez made a motion to reschedule the November 19, 2019 Council meeting to November 14, 2019. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

ITEM 5-E. DISCUSSION AND/OR ACTION REGARDING TEXAS MUNICIPAL LEAGUE (TML) INTERGOVERNMENTAL EMPLOYEE BENEFITS POOL'S IRS FILING REQUIREMENTS ON BEHALF OF THE CITY OF LOCKHART, AND CONSIDER RESOLUTION 2019-20 AUTHORIZING REPRESENTATION IN AN IRS MATTER AND DELEGATING AUTHORITY TO EXECUTE FORM 2848 IRS POWER OF ATTORNEY TO THE CITY MANAGER.

Mr. Lewis stated that the TML MultiState IEBP (the "Pool") provides health benefits to municipal employees throughout the State of Texas. The Pool may have failed to timely file IRS Forms 1094-C and 1095-C (the "Tax Forms") for the 2016 and 2017 federal tax years on behalf of City of Lockhart, related to Lockhart's provision of minimum essential health coverage to its employees. The Board of Trustees of the Pool have agreed to resolve any proposed imposition of penalties and fines by the IRS for the late filing of the Tax Forms (the "Penalties") on behalf of all affected members of the Pool, including Lockhart. The Pool has engaged the law firm of Mitchell, Williams, Selig, Gates & Woodyard, PLLC ("Mitchell Williams") to represent the Pool and its members before the IRS with respect to any such Penalties, and the Pool shall be solely responsible for all communication with and payment of Mitchell Williams with regard to such matter. In order for Mitchell Williams and its attorneys to communicate with the IRS regarding any Penalties proposed to be assessed against City of Lockhart, an authorized official of Lockhart must execute a Form 2848 IRS Power of Attorney authorizing the attorneys to represent Lockhart before the IRS.

Mr. Akers clarified that TML made a mistake and they are doing what it is required to fix the issue.

Mayor Pro-Tem Sanchez made a motion to approve Resolution 2019-20, as presented. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 5-F. DISCUSSION AND/OR ACTION REGARDING RESOLUTION 2019-18 APPROVING THE PRESIDENT OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION TO PURSUE A LOAN FROM GOVERNMENT CAPITAL LOCATED IN SOUTHLAKE, TEXAS IN THE AMOUNT OF \$500,000.

Mr. Kamerlander stated that the Lockhart Economic Development Corporation (LEDC) Board met and voted to authorize staff to pursue the loan. He explained the terms of the loan and that it was to assist in providing incentives to Promogo.

Councilmember McGregor made a motion to approve Resolution 2019-18, as presented. Councilmember Michelson seconded. The motion passed by a vote of 7-0.

ITEM 5-G. CONDUCT SECOND READING AND DISCUSSION AND/OR ACTION REGARDING RESOLUTION 2019-19 APPROVING A TYPE B PROJECT UNDER SECTION 4B OF THE TEXAS ECONOMIC DEVELOPMENT CORPORATION ACT OF 1979, AS AMENDED, FOR FUNDING OF PROMOGO (PROJECT PROMO) IN AN AMOUNT NOT TO EXCEED \$500,000 TO RELOCATE ITS CORPORATE HEADQUARTERS TO LOCKHART WHICH WILL CREATE A NEW INDUSTRY IN LOCKHART WITH 30 JOBS OVER THE NEXT FIVE YEARS.

Mayor Pro-Tem Sanchez made a motion to approve Resolution 2019-19, as presented. Councilmember Michelson seconded. The motion passed by a vote of 7-0.

ITEM 4-C. DISCUSSION AND/OR ACTION REGARDING THE CITY OF LOCKHART'S PROPOSED BUDGET FOR FISCAL YEAR 2019-2020.

There was discussion regarding the comparison of the 3% or 4% wage increase for employees.

Mayor Pro-Tem Sanchez made a motion to give a 4% wage increase across the board all city employees. Councilmember Mendoza seconded. The motion failed by a vote of 5-2, with Mayor White and Councilmembers Westmoreland, McGregor, Castillo and Michelson opposing.

Councilmember Michelson made a motion to give a 3% wage increase to all city employees. Councilmember Castillo seconded. The motion passed by a vote of 5-2, with Mayor Pro-Tem Sanchez and Councilmember Mendoza opposing.

ITEM 5-H. DISCUSSION AND/OR ACTION REGARDING APPOINTMENTS TO VARIOUS BOARDS, COMMISSIONS OR COMMITTEES.

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

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

- City awarded Texas Department of Agriculture grant in the amount of \$300,000 to continue a 18" water transmission line from Lockhart Water Plant to S. Commerce Street behind the Serta Mattress plant.

- Hays and Caldwell Counties United Way Kickoff event will be held on Wednesday, August 28 from 8-9:30 a.m. at the San Marcos Activity Center.
- Update regarding the July 2019 Revenue and Expenditure Report.
- The Lockhart Animal Shelter participated in the "Clear the Shelters" event held on August 17th.
- Update: The Water Department is continuing to install a 12" water main on FM 1322 near the Summerside Subdivision.
- The Culinary Room and the Downtown Business Association will be hosting a BBQ Cookout on the 100 Block of North Main Street on Saturday, August 17th from 7-10pm. This event is free to the public and will offer live music. Main Street will be closed for this event from San Antonio to Walnut.
- TxDOT contractors have started on the new traffic signal and pedestrian crossing that will be installed at the intersection of US 183 and the north Wal-Mart entrance.

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

Councilmember Westmoreland encouraged everyone to stay cool in the heat.

Councilmember Mendoza expressed condolences to the family of Lee Weatherford for their loss. He also announced that Youth Soccer Field Day will be held on Friday at 6:30 p.m. at the Maple Street Complex.

Mayor Pro-Tem Sanchez expressed condolences to the families of Lee Weatherford and Randy Castillo for their loss.

Councilmember McGregor expressed get well wishes to the Collins family. She also encouraged everyone to stay out of the heat.

Councilmember Castillo thanked city staff for their work on the budget. He expressed condolences to the Weatherford and Castillo families for their loss.

Mayor White expressed condolences to the Weatherford family for their loss. He congratulated the Cisneros brothers for the opening of their restaurant on the square. He thanked staff and Mr. Steinbomer for working on the Brock Cabin to prepare it for the public to visit. He welcomed Wesley Gardner as the new Editor of the Lockhart Post-Register.

ITEM 8. EXECUTIVE SESSION IN ACCORDANCE WITH THE PROVISIONS OF THE GOVERNMENT CODE, TITLE 5, SUBCHAPTER D, SECTION 551.071 - PRIVATE CONSULTATION WITH ITS ATTORNEY TO SEEK ADVICE ABOUT PENDING OR CONTEMPLATED LITIGATION; AND/OR SETTLEMENT OFFER AND SECTION 551.072. TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY IF DELIBERATION IN AN OPEN MEETING WOULD HAVE A DETRIMENTAL EFFECT ON THE POSITION OF THE GOVERNMENTAL BODY IN NEGOTIATIONS WITH A THIRD PERSON. - Discussion with City Attorney regarding possible transfer of land for service area and water Certificates of Convenience and Necessity (CCNs) from Polonia Water Supply Corporation.

Mayor White announced that the Council would enter Executive Session at 9:20 p.m.

ITEM 9. OPEN SESSION - Discussion and/or action regarding transfer of land for service area and water Certificates of Convenience and Necessity (CCNs) from Polonia Water Supply Corporation.

Mayor White announced that the Council would enter Open Session at 9:45 p.m.

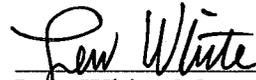
Mayor Pro-Tem Sanchez made a motion to direct staff and the City Attorney to proceed with negotiations with Polonia Water Supply Corporation. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

ITEM 10. ADJOURNMENT.

Mayor Pro-Tem Sanchez made a motion to adjourn the meeting. Councilmember Mendoza seconded. The motion passed by a vote of 7-0. The meeting was adjourned at 9:45 p.m.

PASSED and APPROVED this the 17th day of September 2019.

CITY OF LOCKHART


Lew White, Mayor

ATTEST:


Connie Constancio, TRMC
City Secretary

