



NEWS RELEASE

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Lockhart City Council approves 2020-2021 budget, drops tax rate 4.88 cents

The Lockhart City Council on Tuesday, September 15 approved the annual operating budget and tax rate for the fiscal year of October 1, 2020 through September 30, 2021.

“The primary focus of this operating budget is to fund the continuation of existing programs and service levels and properly respond to the increased demand for services and capital improvements from a growing community despite the presence of a pandemic that has endured for more than six months,” Lockhart City Manager Steve Lewis said. “The budget allows for improvements to our streets, sidewalks, parks and public safety that will work to maintain and better the quality of life of the city’s residents.”

The budget includes \$34,791,079 in planned expenditures from all funds and is balanced with revenues exceeding expenditures by \$651,242.

The 2019-2020 city tax rate of \$.6842 per \$100 valuation decreased by 4.88 cents to \$.6354 per \$100 valuation.

“With respect to the financial challenges many residents have faced due to COVID-19, the city’s budgeted amount for property tax revenues reflects a no new revenue tax rate.” Lewis said.

A no new revenue tax rate produces the same amount of taxes if applied to the same properties taxed in both years.

Planned capital expenditures for 2020-2021 include improvements to city streets, drainage, curbs and sidewalks to ensure the safety of the community. This includes resurfacing 11 streets located throughout Lockhart and replacement of sidewalks as needed to improve walkability and eliminate trip hazards.

Lockhart residents can also look forward to planned improvements at City Park, including those necessary to bring the swimming pool back online in summer 2021.

Public safety improvements include enhanced fire protection with a new Pierce Custom Fire Pumper that is replacing an older unit. The new pumper has a 1,500 gallons per minute water pump, extrication tools, EMS equipment and a full complement of ground ladders.

The budget was prepared while the city was assisting residents with pandemic concerns, facilitating access to relief funding and business assistance. Residents will not see increases in sewer, electric, recycling or building fees during the 2020-2021 fiscal year.

The budget reflects a modest increase in water fund revenues from the previous year due to a planned rate increase of roughly 50 cents per billing cycle per customer. The water rate increase is part of the Gonzales Carrizo Ground Water Supply Project that was approved in 2018, which has the goal of ensuring Lockhart's future water needs are met and includes a phased approach to paying for costs associated with accessing the new water supply. The average residential consumer's monthly water costs will rise from \$23.10 to \$23.60, and the average non-residential consumer's monthly costs will rise from \$34.33 to \$34.83.

Planned expenditures also include public safety civil service step increases and a 3 percent wage inflation adjustment for all personnel. After Lockhart City Council approved the findings from an extensive compensation market study that was completed during the 2019-2020 fiscal year by an outside, independent firm, some employees will receive additional adjustments designed to bring their pay closer to the market average for their positions.

The budget includes no additional positions over the 2019-2020 fiscal year.

"The council approved the recommendations that resulted from the compensation study in an effort to improve the city's future success with respect to recruitment and retention," Lewis said. "This will be accomplished with a no new revenue tax rate and will help ensure Lockhart has the quality of employees needed to keep the city running well in years to come."

The full 2020-21 budget and tax rate can be viewed at www.lockhart-tx.org.