



# City of Fredericksburg

City Council Regular Meeting Agenda  
Tuesday, April 18, 2023 ~ 9:00 AM  
Law Enforcement Center  
1601 E. Main Street  
Fredericksburg, Texas 78624

Jeryl Hoover, Mayor  
Tony Klein, Councilmember  
Bobby Watson, Councilmember/Pro Tem

Sharon Joseph, Councilmember  
Emily Kirchner, Councilmember  
Clinton Bailey, City Manager

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The City of Fredericksburg City Council will meet in a regular session on Tuesday, April 18, 2023, at 9:00 AM. Link to City of Fredericksburg YouTube Channel (Fredericksburg, Texas USA - YouTube <https://www.youtube.com/c/FredericksburgTexasUSA>).

The City Council welcomes citizen participation and comments at all City Council Meetings on Agenda Items.

Comment Card for Written or Verbal Comments-submitted by 4:00 p.m. the day before the meeting.

- i. Complete the Comment Card online at [www.fbgtx.org](http://www.fbgtx.org);
- ii. Make sure to check the appropriate box (verbal or written);
- iii. Only one (1) agenda item per Comment Card.

Sign up in person between 8:30 a.m. and 9:00 a.m. at the meeting location.

- i. Only one (1) agenda item per Comment Card;
- ii. Speakers will be limited to 3 minutes to speak. **Please Note:** The Mayor can reduce the number of minutes for any speaker during Public Comment on a single agenda item depending on the number of people who sign up for it.
- iii. Any citizen with handouts should provide them to the City Secretary before speaking. If you wish the City Council to receive your handouts for the meeting, please provide ten (10) copies; if not, the City Council will receive your handouts the following day.

**NOTE:** The City Council may adjourn into Executive Session to consider any item listed on this agenda if a matter is raised that is appropriate for discussion. An announcement will be made of the basis for the Executive Session discussion. The City Council may also publicly discuss any item listed on the agenda for Executive Session.

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## 1. CALL TO ORDER

## 2. INVOCATION

Tommy Hays, member of the Bridge Church Ministry Team, will provide the Invocation.

**3. PLEDGE OF ALLEGIANCE**

**4. CEREMONIAL MATTERS/PROCLAMATIONS/EMPLOYEE RECOGNITION**

**5. COUNCIL COMMENTS**

**6. CONSENT**

THE FOLLOWING ITEMS MAY BE ACTED UPON IN A SINGLE MOTION. NO SEPARATE DISCUSSION OR ACTION ON ANY OF THESE ITEMS WILL BE HELD UNLESS PULLED AT THE REQUEST OF A MEMBER OF THE CITY COUNCIL.

- A. Approve the City Council Minutes for the following meetings (Shelley Goodwin, City Secretary):
  - i. March 28, 2023, Joint Special Meeting with the Planning and Zoning Commission
  - ii. April 4, 2023, Regular Meeting
- B. Approve a street closure request for the Fredericksburg Car Fest, scheduled for Saturday, June 3, 2023, at Marktplatz (Jennifer Krupa, Assistant Director of Parks and Recreation/Special Events Coordinator)
- C. Approve a street & lane closure request for the Fredericksburg Craft Beer Festival scheduled for Saturday, June 10, 2023, at Marktplatz (Jennifer Krupa, Assistant Director of Parks and Recreation/Special Events Coordinator)
- D. Approve street closures and parking lot usage for Oktoberfest 2023, taking place the first full weekend of October 2023 at Marktplatz (Jennifer Krupa, Assistant Director of Parks and Recreation/Special Events Coordinator)
- E. Approve a street closure request for the Fredericksburg Morning Rotary Club's 13th Annual Kraut Run, taking place on Saturday, October 7, 2023 (Jennifer Krupa, Assistant Director of Parks and Recreation/Special Events Coordinator)
- F. Approve a street closure request for the 33rd Annual Fredericksburg Food & Wine Fest, taking place on October 28, 2023, at Marktplatz (Jennifer Krupa, Assistant Director of Parks and Recreation/Special Events Coordinator)

**7. ORDINANCES, RESOLUTIONS AND PUBLIC HEARINGS**

- A. Conditional Use Permit (CUP) per Section 3.110 to operate an STR-Facility in an R2 Zoned Area abutting a non-residential Zoning District for property located at 112 East Schubert (Z-2304) (Anna Hudson, Interim Director of Development Services)
  - i. Presentation
  - ii. Hold a public hearing to hear comments for or against the request for a Conditional Use Permit



- iii. Take action on the request for CUP
- B. Conditional Use Permit (CUP) per Section 3.110 to operate an STR-Unoccupied in an R2 Zoned Area located in the Historic District on property located at 501 East Creek St (Z-2307) (Anna Hudson, Interim Director of Development Services)
  - i. Presentation
  - ii. Hold a public hearing to hear comments for or against the request for a Conditional Use Permit
  - iii. Take action on the request for CUP
- C. Creation of a Public Housing Authority (Requested by Councilmembers Emily Kirchner & Bobby Watson)
  - i. Presentation
  - ii. Discussion
  - ii. Possible action and/or direction regarding resolution to form a housing authority/public corporation

## **8. OTHER ACTION ITEMS AND UPDATES**

- A. Fiscal Year 2022 Annual Audit and Financial Statement based on the audit conducted by ABIP, P.C. (Krista Wareham, Finance Director)
  - i. Presentation
  - ii. Take action on the FY2022 Audit and Financial Statement prepared by ABIP, P.C.
- B. Take action on a new lease agreement with Hill Country United for use of the property next to Oakcrest Park for soccer fields (Andrea Schmidt, Director of Parks and Recreation)
- C. Take action on a request to waive fees up to a maximum of \$1,500 for the Fredericksburg Optimist Club to use fields at Lady Bird Johnson Municipal Park during Spring T-Ball Season (Andrea Schmidt, Director of Parks and Recreation)

## **9. CITY MANAGER'S REPORT**

- A. Changes to future City Manager's report
- B. Employee Recognitions

## **10. ITEMS FOR FUTURE AGENDA**

- A. Discussion on the Future Agenda Items

## **11. ADJOURN**

### **CERTIFICATION**

This is to certify that I, Shelley Goodwin, posted this Agenda at 11:15 a.m. on April 13, 2023, on the bulletin board of the City of Fredericksburg City Hall, 126 W. Main St., Fredericksburg, Texas.

A handwritten signature in blue ink, reading "Shelley Goodwin". The signature is fluid and cursive, with the first name "Shelley" and last name "Goodwin" clearly distinguishable.

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Shelley Goodwin, TRMC/CMC  
City Secretary



# City of Fredericksburg

## CITY COUNCIL AND PLANNING AND ZONING COMMISSION

### JOINT MEETING MINUTES

TUESDAY, MARCH 28, 2023 ~ 9:00 AM

LADY BIRD GOLF COURSE – CARDINAL ROOM

FREDERICKSBURG, TEXAS 78624

#### **City Council**

Mayor Jeryl Hoover

Mayor Pro-Tem Bobby Watson

Councilmember Emily Kirchner

Councilmember Tony Klein

Councilmember Sharon Joseph (arrived at 9:13 a.m.)

#### **Members Absent:**

None

#### **Planning and Zoning Commission**

Janice Menking, Chair

Commissioner Jeff Lawrence

Commissioner Polly Rickert

Commissioner Tom Musselman

Commissioner Jim Jarreau

Commissioner Cindy Scroggins

Commissioner Tim Dooley

Commissioner Daryl Whitworth

#### **Members Absent:**

Commissioner Steve Thomas

#### **City Staff Present:**

Clinton Bailey, City Manager

Mick McKamie, Interim City Attorney

Garret Bonn, Assistant City Manager

Brian Vorauer, Police Chief

Lynn Bizzell, Fire Chief

Eric Whiting, Director of Information Technology

Anna Hudson, Interim Director of Development Services

Leslie Embrey, Administrative Assistant

Shelby Collier, Associate Planner

Jan Musgrove, STR Specialist

Darren Eckhardt, HOT/SUT Collections Specialist

Janelle Chapman, Purchasing Coordinator

Shelley Goodwin, City Secretary

#### **1. CALL TO ORDER**

Mayor Hoover called the Fredericksburg City Council and Planning and Zoning Commission Joint Meeting to order at 9:00 a.m. on Tuesday, March 28, 2023. He announced that a quorum

had been met of the City Council.

Chair Menking announced that a quorum had been met of the Planning and Zoning Commission.

## **2. BUSINESS ITEM**

### **A. Mayor Hoover's Short-Term Rental Task Force Recommendations**

#### **i. Presentation**

#### **ii. Discuss and provide direction regarding recommendations**

#### **iii. Discuss next steps regarding proposed ordinance amendments**

Mayor Hoover read a statement regarding the process the STR Task Force has taken to make their recommendations.

Mick McKamie, City Attorney, provided an explanation on Conflict of Interest.

Commissioners Lawrence, Rickert, Jarreau, and Scroggins all filed the attached affidavits with the City Secretary and left the dais.

Anna Hudson, Interim Director of Development Services, provided an update on the following:

- 308 permits issued
- STR Data
- Code Enforcement and data
- Successes and ongoing concerns/issues
- Things to consider when reviewing the current Ordinance
- Schedule/Next Steps

Clinton Bailey, City Manager, reviewed the improvements:

- Code Enforcement moves for more efficiency
- Civil Adjudication Hearing process

Garret Bonn, Assistant City Manager, provided the attached PowerPoint regarding the Task Force recommendations. He also reviewed a spreadsheet of the STR Task Force.

The City Council and the Planning and Zoning Commission discussed the following and provided directions:

- Occupancy-bring back options
- Permitting Requirements-agreed by consensus to permit valid for 2 year with a 2 year fee
- Conditional Use Permits/Special Exceptions-bring back options
- Transfer of Permits-bring back options
- Local Contact Requirements-bring back options
- Vesting-bring back options
- Parking/Lighting/Noise-bring back options
- Use of Accessory Dwelling Units in R1 Zoning District-bring back additional information

Rachel Raggio, Associate Attorney with Taylor, Olson, Adkins, Sralla & Elam, LLP., stated the amendments to the STR Ordinance should be tied to safety and freedom of assembly and be allowed to come into compliance by a certain deadline to adjust.

Shelby Collier, Associate Planner, provided the current permit status of the backlog. She also described the process and checks that have to occur on each application.

The City Council and Planning and Zoning Commission also discussed the following without providing directions:

- Moratorium- temporary hold on filing for permits until finish studying the Ordinance
- Look at all penalties for violations
- Forms and reporting information are public records
- Number of STR applications for R1; R2, and R3
- Number of STR applications that are in arrears of HOT payments
- String lights
- Other issues related to visiting and staying overnight

Clinton Bailey, City Manager, reviewed things to consider during the process:

- City Council General Election-May 6<sup>th</sup>
- Public Hearing Notices to mail 6,000 letters-one-month process
- Comprehensive Plan Open House #2-April 25<sup>th</sup>
- Comprehensive Plan Joint Meeting of City Council and Planning and Zoning Commission in May
- 88<sup>th</sup> Legislative Session ends May 29<sup>th</sup> and could bring changes

The City Council discussed the next steps and stated they will review their calendars and get with Staff to regarding the next Joint Meeting.

### **3. ADJOURN**

With no other business Chair Menking adjourned the Planning and Zoning Commission meeting at 11:42 a.m.

**Motion:** A motion was made by Councilmember Kirchner, seconded by Councilmember Klein, to adjourn the meeting at 11:42 a.m. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

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Jeryl Hoover  
Mayor

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Janice Menking  
Planning and Zoning Commission Chair

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Shelley Goodwin, TRMC/CMC  
City Secretary



# City of Fredericksburg

CITY COUNCIL REGULAR MEETING MINUTES  
TUESDAY, APRIL 4, 2023 ~ 9:00 AM  
LAW ENFORCEMENT CENTER  
1601 E. MAIN STREET  
FREDERICKSBURG, TEXAS 78624

Mayor Jeryl Hoover  
Mayor Pro-Tem Bobby Watson  
Councilmember Emily Kirchner  
Councilmember Tony Klein  
Councilmember Sharon Joseph

## **Members Absent:**

None

## **City Staff Present:**

Clinton Bailey, City Manager  
Mick McKamie, City Attorney  
Garret Bonn, Assistant City Manager  
Lynn Bizzell, Fire Chief  
Andrea Schmidt, Director of Parks and Recreation  
Eric Whiting, Director of Information Technology  
Kris Kneese, Director of Public Works and Utilities  
Derek Seelig, Police Lieutenant  
Braxton Roemer, Police Lieutenant  
Justin Calhoun, Emergency Management Coordinator  
Lea Feuge, Public Information Officer  
Leslie Embrey, Administrative Assistant  
Shelley Goodwin, City Secretary

## **1. CALL TO ORDER**

Mayor Hoover called the Regular Meeting of the Fredericksburg City Council to order at 9:00 a.m. on Tuesday, April 4, 2023. He announced that a quorum had been met.

## **2. INVOCATION**

George Studor, City resident, provided the Invocation.

## **3. PLEDGE OF ALLEGIANCE**

Mayor Hoover led the Pledge of Allegiance.

## **4. CEREMONIAL MATTERS/PROCLAMATIONS/EMPLOYEE RECOGNITION**

Municipal Judge Shelley Becker administered the Ceremonial Oath of Office to Mick McKamie, City Attorney of the City of Fredericksburg.

Kris Kneese, Director of Public Works and Utilities, introduced the following new employees:

- Jeremy Garcia, Sanitation Department
- Kaleb Bernhard, Street Department

Lynn Bizzell, Fire Chief, stated he wanted to introduce Ryan McBee, a new fireman; however, he could not attend the meeting. He noted Ryan started as a volunteer fireman before he was hired.

Clinton Bailey, City Manager, recognized the following:

- Officer Pablo Martinez for his professionalism during a traffic stop
- Chris Mead, LBJ Golf Course, was recognized by U.S. Kids Golf as one of the Top 50 Kids Coaches by United States Kids Golf

#### **A. Child Abuse Prevention and Awareness Month**

Mayor Hoover read the Proclamation declaring April as Child Abuse Prevention and Awareness Month. He presented the Proclamation to Kane Jagers, Senior Regional Director of SJRC, Texas.

#### **B. National Public Safety Telecommunicators Week**

Mayor Hoover read the Proclamation declaring National Public Safety Telecommunicators Week on April 9 through 15, 2023. He presented the Proclamation to Lez Metzler, Gillespie County Communications Center.

### **5. COUNCIL COMMENTS**

Councilmember Kirchner provided the following comments:

- Thanked everyone for their hard work with a successful Touch-a-Truck. Everyone had a lot of fun.
- The Parks survey is available on the City website, and she encouraged everyone to take it.
- The City Council is wearing blue to support the awareness of Child Abuse Prevention and Awareness Month, and she encouraged the residents to wear blue on Friday, April 7<sup>th</sup>.

Councilmember Watson complimented Les Metzler and the Gillespie County Dispatcher team. He noted they do a fantastic job which he witnessed during the recent ice storm.

Councilmember Klein provided the following updates:

- He met with Clinton Bailey, City Manager, regarding the STR progress.
- The Fisd supported appointing two members to the Hospital Legacy Foundation Board. He inquired about the status of the City Council Resolution for the Hospital Legacy Foundation Board.

Clinton Bailey, City Manager, provided an update on the process Development Services is using to get through the backlog of permits. He also reported that the City signed the Resolution for the Hospital Legacy Foundation Board and delivered it to the County for their signature.

### **6. CONSENT**

#### **A. Approve March 21, 2023, City Council Regular Meeting Minutes**

#### **B. Approve the purchase of an Asphalt Patch Truck for the Street Department in the amount of \$154,425.00 (previously approved in the FY 2023 Budget)**

**Motion:** A motion was made by Councilmember Joseph, seconded by Councilmember Watson, to approve the Consent Agenda Items 6. A. approval of City Council Minutes of April 4, 2023, City Council Regular Meeting and B. Approve the purchase of an Asphalt Patch Truck for the Street Department in the amount of \$154,425.00. The Council voted five (5) for and none (0) opposed. The motion carried unanimously.

### **7. ORDINANCES, RESOLUTIONS, AND PUBLIC HEARINGS**

#### **A. Amendment to Lady Bird Johnson Municipal Golf Course Fees**

**i. Presentation**

Chris Meade, PGA, General Manager - Lady Bird Golf Course, reviewed the reason for the increase in the rental of golf carts.

Clinton Bailey, City Manager, stated staff recommends the adoption of Ordinance 2023-04.

**ii. Adoption of Ordinance 2023-04 amending Section 24.100 of Appendix A – Fee Schedule of the Code of Ordinances, to update and amend the fees for the use of Lady Bird Johnson Municipal Golf Course**

**Motion:** A motion was made by Councilmember Watson, seconded by Councilmember Kirchner, to adopt Ordinance 2023-04 amending Section 24.100 of Appendix A – Fee Schedule of the Code of Ordinances, to update and amend the fees for the use of Lady Bird Johnson Municipal Golf Course. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

**B. Franchise Agreement - Universal Natural Gas LLC**

**i. Presentation**

Kris Kneese, Director of Public Works and Utilities, reviewed the Franchise Agreement with Universal Natural Gas, LLC. He noted this Ordinance and agreement would grant the right for Universal Natural Gas, LLC., to enter the public right-of-way to install and operate a gas distribution system and sell gas to customers within the City Limits. He stated at this time they are proposing to serve Friendship Oaks. He also introduced Richard Barr, a Universal Natural Gas, LLC. representative. He also noted that this Ordinance requires two readings, and the second reading will be provided at the May 2, 2023, Regular City Council Meeting.

Richard Barr, a Universal Natural Gas, LLC. representative, discussed how the company communicates with its customers. He also stated once the installation is complete, the gas can be offered to all residents.

**ii. Adoption of Ordinance 2023-05 granting to Universal Natural Gas, LLC (D/B/A Universal Natural Gas, Inc.) and its successors and assigns, for a period of twenty (20) years from the effective date of this Ordinance, a non-exclusive franchise and right to enter the public ways to install, operate, and maintain a distribution system within, along, across, over, and under the public ways of the City of Fredericksburg, Texas for the transportation, distribution, and/or sale of gas to customers and the public generally in the City; defining the words and phrases therein; providing for assignment, sale, or lease of the franchise; providing for use and repair of the public ways; providing for regulation of service; establishing depth of pipelines; establishing rights and duties in the movement and alteration of pipelines; providing for indemnification of the City; providing for inspection of Grantee's records; requiring Grantee to pay a Franchise Fee; providing for conditions of the franchise; providing for construction of this Ordinance upon the invalidity of any part thereof; providing for acceptance of this franchise by Grantee and both an effective and an operative date thereof; repealing all other Ordinances directly in conflict herewith; providing for severability; providing for publication and prescribing an effective date**

The City Council discussed the following items:

- Comparison to ATMOS
- Cost of the infrastructure

**C. Approve Resolution 2023-06R nominating a candidate to fill a vacancy on the Gillespie Central Appraisal District Board in accordance with the Texas Property Tax Code**



**Motion:** A motion was made by Councilmember Klein, seconded by Councilmember Kirchner, to amend Resolution 2023-06R to add Jill Tabor as the City's candidate to fill a vacancy on the Gillespie Central Appraisal District Board in accordance with the Texas Property Tax Code. The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

## **8. OTHER ACTION ITEMS AND UPDATES**

### **A. Approve the Second Amendment to the Commercial Lease Agreement for the Girl Scout Cabin**

Andrea Schmidt, Director of Parks and Recreation, reviewed the one-year Lease Agreement for the Girl Scout Cabin.

The City Council discussed the following:

- Plan of the building
- Past use of the building
- Longer lease

Councilmember Joseph introduced Bonnie Baseke who took over the Girl Scouts' local organization five years ago.

Bonnie Baseke stated that after Covid, the local chapter had eight girls and now has 30 members. She also stated there are now Troops in Blanco, Harper, and Johnson City. She also noted the local chapter sold 17,605 boxes of cookies this year.

**Motion:** A motion was made by Councilmember Klein, seconded by Councilmember Kirchner, to approve the Second Amendment to the Commercial Lease Agreement for the Girl Scout Cabin for five years. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

### **B. Received an update on the addition of Lyndon B. Johnson and Admiral Nimitz busts to the Pioneer Garden and a memorial bench for Marktplatz**

Andrea Schmidt, Director of Parks and Recreation, reviewed the proposed project and the funding sources for the two busts and bench. She reviewed the artist's history and noted that he is the same artist that made the other two busts currently located in the Pioneer Garden.

**Motion:** A motion was made by Councilmember Klein, seconded by Councilmember Watson, to approve the addition of Lyndon B. Johnson and Admiral Nimitz busts to the Pioneer Garden and a memorial bench for Marktplatz. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

## **9. CITY MANAGER'S REPORT**

### **A. Barons Creek cleanup status update**

Justin Calhoun, Emergency Management Coordinator, reviewed the history of the accident, those involved in the cleanup, and the work done. He noted the cleanup crew had removed several booms, and the remaining booms will be removed this week.

### **B. Enforcement of watering restrictions**

Clinton Bailey, City Manager, stated the City is officially under Stage 4 watering restrictions. He noted watering time depends on the last digit of your address, and the times are 7 p.m. -11 p.m.; see the website for more information. He reviewed the fines for watering violations. He also thanked the Fredericksburg Standard Editor, Ken Cooke, for his recent article on the watering restrictions. A meeting was held with landscapers, and a meeting with Boot Ranch is scheduled for today.

Kris Kneese, Director of Public Works and Utilities, provided how the City is reaching out to the

water customers. He also reviewed the water violation tiered fines and the variance process.

### **C. Charter Review Committee**

Clinton Bailey, City Manager, stated the Charter was adopted in 1991 and then reviewed in 2016. He noted the City Charter requires a review every five years. He noted that the City Council needs to be thinking of who they wish to appoint to serve on the Committee, along with the City Manager, City Attorney, and City Secretary.

## **10. ITEMS FOR FUTURE AGENDA**

### **A. Review the Future Agenda Spreadsheet**

Clinton Bailey, City Manager, reviewed the Future Agenda Spreadsheet and provided corrections.

## **11. EXECUTIVE SESSION**

**A. Consider and discuss the appointment, evaluation, reassignment, and/or duties of a public officer or employee, especially the Municipal Court Judge (Sec. 551.074), and**

**B. Consider and discuss the appointment, evaluation, reassignment, duties, or dismissal of a public officer, specifically the nomination of a City of Fredericksburg candidate to fill vacancies on the Gillespie Central Appraisal District Board (Section 551.074)**

**Motion:** A motion was made by Councilmember Kirchner, seconded by Councilmember Watson, to go out of the Regular Meeting and into the Executive Session at 10:00 a.m. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

**Motion:** A motion was made by Councilmember Watson, seconded by Councilmember Klein, to go out of the Executive Session and into the Regular Meeting at 10:15 a.m. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

## **12. BUSINESS ITEM**

The City Council then moved to Agenda Item 7. C.

**Motion:** A motion was made by Councilmember Joseph, seconded by Councilmember Watson, to give Shelley Becker, Municipal Judge, two additional hours of PTO per pay period (totaling 8 PTO hours per pay period). The City Council voted five (5) for and none (0) opposed. The motion carried unanimously.

## **13. ADJOURN**

**Motion:** A motion was made by Councilmember Watson, seconded by Councilmember Kirchner, to adjourn the Tuesday, April 4, 2023, City Council Regular Meeting at 11:10 a.m. The City Council voted five (5) for, and none (0) opposed. The motion carried unanimously.

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Jeryl Hoover  
Mayor

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Shelley Goodwin, TRMC/CMC  
City Secretary



## **CITY COUNCIL AGENDA MEMO**

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**DEPARTMENT:** Parks and Recreation  
**TO:** Mayor & City Council Members  
**FROM:** Jennifer Krupa, Asst. PARD Director/  
Special Events  
**MEETING DATE:** April 18, 2023

**CATEGORY:** CONSENT

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**CAPTION:** Approve a street closure request for the Fredericksburg Car Fest, scheduled for Saturday, June 3, 2023, at Marktplatz (Jennifer Krupa, Assistant Director of Parks and Recreation/Special Events Coordinator)

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### **PRESENTATION:**

#### **SUMMARY:**

The Fredericksburg Car Fest, hosted by Fredericksburg Morning Rotary Club, is an annual event held the first Saturday in June at Marktplatz. Event organizers have requested to close W. Austin Street between N. Adams Street and N. Crockett Street during the 2023 event, in order to park cars on the street for public viewing. A completed special events application is on file and an emergency access lane will remain open on W. Austin Street during the closure.

#### **BACKGROUND:**

The request to close Austin Street was approved by City Council for the 2022 event. The event footprint has expanded as the number of cars participating in the car show has increased year after year. Therefore, some of the car show entries will need to be parked on Austin Street for judging. In addition, during the 2019 event, the event organizers invited local first responders to participate in a meet-and-greet and it was very well received by the event attendees. A few of the first responder vehicles and equipment have proven to be too large to place on Marktplatz during the car show (i.e. Fire Engine & Ambulance), so Austin Street would be used instead. For 2021, a new car expo was added to allow attendees to get up close and personal to new vehicles from leading manufacturers.

Closing Austin Street will allow car show participants that use the grass parking lot at Bethany Lutheran Church to safely cross Austin Street to and from Marktplatz.

The Fredericksburg Morning Rotary Club contacted Bethany Lutheran Church and San Saba Soap Company and alerted them of the closure request; no negative feedback was received. In addition, Lt. Derek Seelig (Fredericksburg Police Department) and Garrett Durst (Streets Division) have reviewed and approved the street closure request. The streets division will leave the equipment on Austin Street during normal working hours on Friday, June 2, 2023, and night patrol will close the street at 5:00 a.m. on Saturday, June 3, 2023. Event organizers and Jennifer Krupa will reopen the street on Saturday at 4:00 p.m.

Chapter 44, Article II, Section 44-24, of the City's Code of Ordinances states:

Sec. 44-24. - Authority of chief of police to enforce traffic regulations.

(a) The chief of police is hereby empowered to take all actions as may be necessary or advisable to enforce traffic regulations to make effective the provisions of this chapter and other traffic laws or ordinances and to make and enforce temporary or experimental regulations to cover emergencies or special events or conditions. No such temporary or experimental regulation shall remain in effect for more than 90 days, nor shall it be effective until approved by the City Manager.

(b) The chief of police is hereby empowered, in addition to the traffic engineer, to close streets for emergencies, special events or other conditions. Street closures which are expected to be for periods in excess of two hours, except for emergencies, shall require approval by the City Council.

**FUNDING SOURCE:** General Fund

**FINANCIAL IMPACT:**

**STAFF RECOMMENDATION:**

Recommend City Council consider a motion to approve closing W. Austin Street between N. Adams and N. Crockett Street beginning at 5:00 a.m. on Saturday, June 3, 2023, and ending at 4:00 p.m., for the Fredericksburg Car Fest.

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**COMMUNITY VISIONING/STRATEGIC INITIATIVES:**

Quality of Life Vision

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**ATTACHMENTS:**

1. FBG Car Fest\_2023 Street Closure Request Form
2. Notification Letters

**APPROVAL/REVIEW:**

*Andrea Schmidt*

\_\_\_\_\_  
Andrea Schmidt, Parks and Recreation Director

Date: March 28, 2023

\_\_\_\_\_  
Laura Hollenbeak, Finance Director

Date: March 29, 2023

\_\_\_\_\_  
William McKamie, City Attorney

Date: March 29, 2023

*Shelley Goodwin*

\_\_\_\_\_  
Shelley Goodwin, City Secretary

Date: April 10, 2023

*Clinton Bailey*

\_\_\_\_\_  
Clinton Bailey, City Manager

Date: April 12, 2023

## SPECIAL EVENTS STREET CLOSURE REQUEST



Street closure requests must be made two (2) months in advance to City Council for any closure two (2) hours or more. Please consider this timeline when submitting your request. Please also attach the notification letter you will send to abutting property owners (if applicable) with this request to the Special Events Coordinator.

|                       |                                                                  |
|-----------------------|------------------------------------------------------------------|
| <b>Event Name:</b>    | FBG Car Fest sponsored by the Fredericksburg Morning Rotary Club |
| <b>Event Date(s):</b> | Saturday, June 3, 2023                                           |
| <b>Contact Name:</b>  | Fernando Munoz                                                   |
| <b>Contact Phone:</b> | (830 ) 456-2735                                                  |

**Closure Area:**

☒ Entire Street
 ☐ Parking Lane Only
 ☐ Partial Street
 ☐ Blocking City owned property

Side of street: \_\_\_\_\_ (N,S,E,W)
 Side of street: \_\_\_\_\_
 Location: \_\_\_\_\_

Additional details (attach additional pages as needed for more streets and describe details of use below):

Car show parking, area for fire engines and ambulances as part of the First Responder Meet and Greet, and to make it safe for the public to cross the street

### Street Closure Details:

| Street Name | Between<br>(cross street) | And<br>(cross street) | Start Date             | Start Time | End Date         | End Time |
|-------------|---------------------------|-----------------------|------------------------|------------|------------------|----------|
| Example:    | Crockett Street           | Adams Street          | Friday, 4/2/21         | 6:00 PM    | Sunday, 4/4/21   | 12:00 PM |
| W. Austin   | N. Adams                  | N. Crockett           | Saturday, June 3, 2023 | 5:00 AM    | Saturday, June 3 | 4:00 PM  |
|             |                           |                       |                        |            |                  |          |
|             |                           |                       |                        |            |                  |          |
|             |                           |                       |                        |            |                  |          |
|             |                           |                       |                        |            |                  |          |

If the event will impact surrounding property owners, a notification letter is required to be sent to property owners at least two weeks prior to the event date. Attach a copy of the notification letter and a list of addresses the letter will be sent to.

Date notice provided: March 22, 2023

Printed Name: Sarah Eckert / max Beckmann

Date: 3/28/2023

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Street Department: @.Durst via email

Date: 3-28-23

Police Department: Lt. Seelig via email

Date: 3-28-23

Parks Department: Jeigen Kuy

Date: 3-28-23

\*night patrol to close @ 5am





# 18th Annual Fredericksburg Car Fest

Saturday June 3, 2023 8am - 4pm

Marketplatz, Hwy 16 & Main St., Fredericksburg, TX

[www.FredericksburgCarFest.com](http://www.FredericksburgCarFest.com)

## Notification Letter of Event



To \_\_\_\_\_

The Fredericksburg Morning Rotary Club will be hosting the 18th Annual Car Fest on June 3rd of 2023. We are asking for permission to block off the street where your business is located. The requested time is 5am till 4pm on Saturday the 3rd. We will be providing security for this area as well.

As a club, we would like to extend a Vendor spot for your business that day, complimentary as to off set any business you may loose. Below is contact information we need for your vendor spot and we will be in touch with you about electricity, etc needs.

Many Thanks,  
Max Beckmann, Co-Chair

### Name of Business:

BUSINESS BETHANY LUTHERAN CHURCH  
CONTACT NAME (print) LAYNE PETTY  
PHONE# 830.997.2069 ADDRESS 110 W. AUSTIN ST.  
CITY/ZIP FBG, TX 78624 EMAIL laneyblc@gmail.com

### Local

*Old Fair Park recieved a Skate Park, a covered Basketball Court, and Handicap accessible playgroud, Splashpad at City Pool, EMT High School Training Program, Vocational Scholarships, High School Job Fair Symposium, Highway Clean-up on 290 West, and local projects other organizations bring to the club. Local Literacy Program: OTTER reading program at Fredericksburg Primary School, Dictionary and book purchases for the Fredericksburg & Harper school libraries, Reading Rodeo at Fredericksburg Elementary School, Books for Babies which supports development of preschool reading. Teacher supply closets at Fredericksburg & Stonewall Elementary School, nutritional projects for youth in Fredericksburg*

### International

*Clean water project in Tanzania 2017, Exchange Student program since 1997, Shelter Box purchase for International Disasters yearly, Hosting Professional Adults from other Countries, Hygiene packs for Mision de Candelilla, and more in the pipeline.*

*Together all Rotary Clubs Internationally raise funds for the eradication of polio. Rotary International has many other projects in seven areas of focus:*

**Literacy, Environment, Water and Sanitation, Promoting Peace,  
Fighting Disease, Building Local Economies,  
and Saving Mothers and Children.**





# 18th Annual Fredericksburg Car Fest

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As a club, we would like to extend a Vendor spot for your business that day, complimentary as to off set any business you may loose. Below is contact information we need for your vendor spot and we will be in touch with you about electricity, etc needs.

Many Thanks,  
Max Beckmann, Co-Chair

### Name of Business:

BUSINESS SAN SABA SOAP COMPANY  
CONTACT NAME (print) LEANNE HOLLEY  
PHONE# 830.442.3624 ADDRESS 102 W. AUSTIN ST.  
CITY/ZIP FRG, TX 78624 EMAIL sales@san.saba.soap.com

### Local

*Old Fair Park recieved a Skate Park, a covered Basketball Court, and Handicap accessible playgroud, Splashpad at City Pool, EMT High School Training Program, Vocational Scholarships, High School Job Fair Symposium, Highway Clean-up on 290 West, and local projects other organizations bring to the club. Local Literacy Program: OTTER reading program at Fredericksburg Primary School, Dictionary and book purchases for the Fredericksburg & Harper school libraries, Reading Rodeo at Fredericksburg Elementary School, Books for Babies which supports development of preschool reading. Teacher supply closets at Fredericksburg & Stonewall Elementary School, nutritional projects for youth in Fredericksburg*

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and Saving Mothers and Children.**



## **CITY COUNCIL AGENDA MEMO**

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**DEPARTMENT:** Parks and Recreation  
**TO:** Mayor & City Council Members  
**FROM:** Jennifer Krupa, Asst. PARD Director/  
Special Events  
**MEETING DATE:** April 18, 2023

**CATEGORY:** CONSENT

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**CAPTION:** Approve a street & lane closure request for the Fredericksburg Craft Beer Festival scheduled for Saturday, June 10, 2023, at Marktplatz (Jennifer Krupa, Assistant Director of Parks and Recreation/Special Events Coordinator)

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### **PRESENTATION:**

#### **SUMMARY:**

The Fredericksburg Noon Rotary Club and Debbie Reeh of Creative Marketing, submitted a street closure request for review and approval to host the 2nd annual Fredericksburg Craft Beer Festival on Saturday, June 10, 2023, at Marktplatz. A completed special event application is on file. The event organizer has requested the following:

- 1) To close the parking lane and one southbound traffic lane, adjacent to Marktplatz on Adams Street beginning Friday, June 9, 2023, at 7:00 a.m., until Monday, June 12, 2023, at noon.
- 2) To close W. Austin Street between N. Crockett and N. Adams, beginning Friday, June 9, 2023, at 7:00 a.m., until Sunday, June 11, 2023, at 5:00 p.m.

#### **BACKGROUND:**

The Fredericksburg Craft Beer Festival is sponsored by the Fredericksburg Noon Rotary Club. The Noon Rotary Club has hired Debbie Reeh of Creative Marketing to oversee the event coordination and execution. Due to the need to place dumpsters, large trucks, and ice trailers near the event site at Adelsverein & Oktoberfest Halles, a request to approve the partial closure of Adams Street and full closure of W. Austin Street is included for your consideration.

The request to close the streets and parking lane coincides with the hours of the streets division; therefore, no overtime is required to close the street, traffic lane, and parking lane. In addition, the traffic and parking lane closure will not block any business on Adams Street. Event organizers will be responsible for reopening W. Austin Street on Sunday, at 5:00 p.m., and placing the closure equipment on the side of the street for pick-up on Monday, June 12, 2023. The streets division will reopen the traffic and parking lane closure on Monday, June 12, 2023, at noon.

Lt. Derek Seelig (Fredericksburg Police Department) and Garrett Durst (Streets Division) have reviewed and approved the street closure request. Debbie Reeh, has communicated and coordinated with Bethany Lutheran Church and San Saba Soap Company on the closures.



Chapter 44, Article II, Section 44-24, of the City's Code of Ordinances states:

Sec. 44-24. - Authority of chief of police to enforce traffic regulations.

(a) The chief of police is hereby empowered to take all actions as may be necessary or advisable to enforce traffic regulations to make effective the provisions of this chapter and other traffic laws or ordinances and to make and enforce temporary or experimental regulations to cover emergencies or special events or conditions. No such temporary or experimental regulation shall remain in effect for more than 90 days, nor shall it be effective until approved by the City Manager.

(b) The chief of police is hereby empowered, in addition to the traffic engineer, to close streets for emergencies, special events or other conditions. Street closures which are expected to be for periods in excess of two hours, except for emergencies, shall require approval by the City Council.

**FUNDING SOURCE:** General Fund

**FINANCIAL IMPACT:**

**STAFF RECOMMENDATION:**

Recommend City Council to consider adoption of a motion:

1) To close the parking lane and one southbound lane adjacent to Marktplatz on Adams Street beginning on Friday, June 9, 2023, at 7:00 a.m. until Monday, June 12, 2023, at noon; and

2) To close W. Austin Street between N. Crockett and N. Adams beginning on Friday, June 9, 2023, at 7:00 a.m. and ending on Sunday, June 11, 2023, at 5:00 p.m.

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**COMMUNITY VISIONING/STRATEGIC INITIATIVES:**

Quality of Life Vision

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**ATTACHMENTS:**

1. Craft Beer Festival\_2023 Street Closure Request Form

**APPROVAL/REVIEW:**

*Andrea Schmidt*

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Andrea Schmidt, Parks and Recreation Director

Date: March 22, 2023

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Laura Hollenbeak, Finance Director

Date: March 29, 2023

---

William McKamie, City Attorney

Date: March 29, 2023

*Shelley Goodwin*

---

Shelley Goodwin, City Secretary

Date: April 11, 2023

*Clinton Bailey*

---

Clinton Bailey, City Manager

Date: April 12, 2023



## SPECIAL EVENTS STREET CLOSURE REQUEST



Street closure requests must be made two (2) months in advance to City Council for any closure two (2) hours or more. Please consider this timeline when submitting your request. Please also attach the notification letter you will send to abutting property owners (if applicable) with this request to the Special Events Coordinator.

|                       |                                           |
|-----------------------|-------------------------------------------|
| <b>Event Name:</b>    | <i>Fredericksburg Craft Beer Festival</i> |
| <b>Event Date(s):</b> | <i>June 10, 2023</i>                      |
| <b>Contact Name:</b>  | <i>Debbie Reeh</i>                        |
| <b>Contact Phone:</b> | <i>( ) 830-456-1461</i>                   |

**Closure Area:**

☒ Entire Street
 ☒ Parking Lane Only
 ☐ Partial Street
 ☐ Blocking City owned property

Side of street: West (N,S,E,W)
 Side of street: \_\_\_\_\_
 Location: \_\_\_\_\_

Additional details (attach additional pages as needed for more streets and describe details of use below):

**We are requesting the parking lane and one southbound traffic lane adjacent to Marktplatz be closed for this event.**

Also requesting a full closure of Austin Street, between N. Crockett and N. Adams

### Street Closure Details:

| Street Name | Between<br>(cross street) | And<br>(cross street) | Start Date     | Start Time | End Date       | End Time |
|-------------|---------------------------|-----------------------|----------------|------------|----------------|----------|
| Example:    | Crockett Street           | Adams Street          | Friday, 4/2/21 | 6:00 PM    | Sunday, 4/4/21 | 12:00 PM |
| Adams       | Austin                    | Main                  | June 9         | 7:00 am    | June 12        | 12 Noon  |
| Austin      | Adams                     | Crockett              | June 9         | 7:00 am    | June 11        | 5:00 pm  |
|             |                           |                       |                |            |                |          |
|             |                           |                       |                |            |                |          |
|             |                           |                       |                |            |                |          |

If the event will impact surrounding property owners, a notification letter is required to be sent to property owners at least two weeks prior to the event date. Attach a copy of the notification letter and a list of addresses the letter will be sent to.

Date notice provided: T.B.D.

Printed Name: Debbie Reeh

Date: 3/21/23

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Street Department: Garrett Dust via email

Date: 3-21-23

Police Department: Lt. Seelig via email

Date: 3-21-23

Parks Department: Jeffrey Krupic

Date: 3-21-23



## **CITY COUNCIL AGENDA MEMO**

---

**DEPARTMENT:** Parks and Recreation  
**TO:** Mayor & City Council Members  
**FROM:** Jennifer Krupa, Asst. PARD Director/  
Special Events  
**MEETING DATE:** April 18, 2023

**CATEGORY:** CONSENT

---

**CAPTION:** Approve street closures and parking lot usage for Oktoberfest 2023, taking place the first full weekend of October 2023 at Marktplatz (Jennifer Krupa, Assistant Director of Parks and Recreation/Special Events Coordinator)

---

### **PRESENTATION:**

#### **SUMMARY:**

Pedernales Creative Arts Alliance/Oktoberfest (PCAA) is requesting the complete closure of Adams Street between Main and Austin, and Austin Street between Crockett and Adams for the 2023 Oktoberfest event. Debbie Reeh, Oktoberfest manager and event producer, communicated and coordinated with the Adams Street merchants, Bethany Lutheran Church, and San Saba Soap Company on the closures. The PCAA has made allowances for Sunday church services and emergency access lanes on both Adams and Austin will be maintained throughout the closure. A completed special event application is on file. In addition, Oktoberfest is asking for permission to use the parking lot on Crockett Street across from City Hall.

#### **The requests include:**

- 1) N. Adams Street between Main Street and Austin Street beginning on Wednesday, October 4, 2023, at 7:00 a.m., through Monday, October 9, 2023, at 3:00 p.m.
- 2) W. Austin Street between N. Crockett and N. Adams beginning Thursday, October 5, 2023, at 7:00 a.m., until Monday, October 9, 2023, at 12:00 p.m.; and,
- 3) Use of the parking lot on Crockett Street across from City Hall and next to Broadway Bank beginning on Friday, October 6, 2023, at 5:00 p.m., until Sunday, October 8, 2023, at 8:00 p.m.

#### **BACKGROUND:**

Oktoberfest is the premier special event for the City of Fredericksburg. Oktoberfest has coordinated extensively with City staff and has adopted all recommendations. Lt. Derek Seelig (Fredericksburg Police Department) and Garrett Durst (Streets Division) have reviewed and approved the street closure request.

Chapter 44, Article II, Section 44-24, of the City's Code of Ordinances states:  
Sec. 44-24. - Authority of chief of police to enforce traffic regulations.

(a) The chief of police is hereby empowered to take all actions as may be necessary or advisable to enforce traffic regulations to make effective the provisions of this chapter and other traffic laws or

ordinances and to make and enforce temporary or experimental regulations to cover emergencies or special events or conditions. No such temporary or experimental regulation shall remain in effect for more than 90 days, nor shall it be effective until approved by the City Manager.

(b) The chief of police is hereby empowered, in addition to the traffic engineer, to close streets for emergencies, special events or other conditions. Street closures which are expected to be for periods in excess of two hours, except for emergencies, shall require approval by the City Council.

**FUNDING SOURCE:** General Fund

**FINANCIAL IMPACT:**

**STAFF RECOMMENDATION:**

Recommend City Council consider a motion to approve the use of the parking lot across from City Hall (beginning Friday, October 6, 2023, at 5 p.m. and ending on Sunday, October 8, 2023, at 8:00 p.m.), and the following two street closure requests for Oktoberfest 2023:

- 1) N. Adams Street between Main Street and Austin Street beginning on Wednesday, October 4, 2023, at 7:00 a.m., through Monday, October 9, 2023, at 3:00 p.m., and,
- 2) W. Austin Street between N. Crockett and N. Adams beginning Thursday, October 5, 2023, at 7:00 a.m., until Monday, October 9, 2023, at 12:00 p.m.

---

**COMMUNITY VISIONING/STRATEGIC INITIATIVES:**

Quality of Life Vision

---

**ATTACHMENTS:**

1. Oktoberfest 2023 Street Closure Request Form
2. 2023StreetClosureLetters
3. 2022 Aerial

**APPROVAL/REVIEW:**

*Andrea Schmidt*

---

Andrea Schmidt, Parks and Recreation Director

Date: March 22, 2023

---

Laura Hollenbeak, Finance Director

Date: March 30, 2023

---

William McKamie, City Attorney

Date: March 30, 2023

*Shelley Goodwin*

---

Shelley Goodwin, City Secretary

Date: April 11, 2023

*Chris Sealey*

Date: April 12, 2023





## SPECIAL EVENTS STREET CLOSURE REQUEST



Street closure requests must be made two (2) months in advance to City Council for any closure two (2) hours or more. Please consider this timeline when submitting your request. Please also attach the notification letter you will send to abutting property owners (if applicable) with this request to the Special Events Coordinator.

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Event Name:</b>    | <i>Oktoberfest in Fredericksburg</i> |
| <b>Event Date(s):</b> | <i>October 6 - 8, 2023</i>           |
| <b>Contact Name:</b>  | <i>Debbie Reeh</i>                   |
| <b>Contact Phone:</b> | <i>( ) 830-456-1461</i>              |

**Closure Area:**

☒ Entire Street

☐

Parking Lane Only

☒

Partial Street

☐

Blocking City owned property

Side of street: \_\_\_\_\_ (N,S,E,W) Side of street: *South*

Location: \_\_\_\_\_

Additional details (attach additional pages as needed for more streets and describe details of use below):

*Use of parking area behind Police Substation beginning Tuesday October 3 at 5PM until Monday October 9 at 3PM and*

*use of City Hall Lot on Crockett, beginning Friday, October 6 at 5PM until Sunday, October 8 at 8PM , plus the following:*

### Street Closure Details:

| Street Name   | Between<br>(cross street) | And<br>(cross street) | Start Date     | Start Time | End Date       | End Time |
|---------------|---------------------------|-----------------------|----------------|------------|----------------|----------|
| Example:      | Crockett Street           | Adams Street          | Friday, 4/2/21 | 6:00 PM    | Sunday, 4/4/21 | 12:00 PM |
| Adams Street  | Austin Street             | Main Street           | Wed, 10/4      | 7:00 am    | Mon, 10/09     | 3:00 pm  |
| Austin Street | Adams Street              | Crockett Street       | Thu, 10/05     | 7:00 am    | Mon, 10/09     | Noon     |
|               |                           |                       |                |            |                |          |
|               |                           |                       |                |            |                |          |
|               |                           |                       |                |            |                |          |

If the event will impact surrounding property owners, a notification letter is required to be sent to property owners at least two weeks prior to the event date. **Attach a copy of the notification letter and a list of addresses the letter will be sent to.**

Date notice provided: \_\_\_\_\_

Printed Name: *Debbie Reeh*

Date: *3-21-23*

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Street Department: *G. Durst via email*

Date: *3-21-23*

Police Department: *Lt. Seelig via email*

Date: *3-21-23*

Parks Department: *Jeifer Krpe*

Date: *3-21-23*

Festival Office:  
703 N Llano  
Fredericksburg TX 78624  
830-997-4810  
[www.oktoberfestinfbg.com](http://www.oktoberfestinfbg.com)

---

First Weekend in October  
October 6-8, 2023  
Downtown on Marktplatz



To: Mayor Jeryl Hoover  
Council Members: Sharon Joseph, Emily Kirchner, Tony Klein, Bobby Watson

From: Debbie Reeh  
Oktoberfest Manager

RE: 2023 Street Closures

Date: March 20, 2023

Dear Mayor Hoover and Council members;

Again I would like to thank each of you for supporting our street closure request. We value our working relationship with you, City Police, and City staff.

Oktoberfest requests two street closures:

- Adams Street -- Wednesday, October 4th at 7:00am – Monday, October 9th at 3:00pm
- Austin Street -- Thursday, October 5th at 7:00am – Monday, October 9th at noon

Oktoberfest would like use of the following:

- Lot across from City Hall next to Broadway Bank -- October 6th at 5:00pm - October 8th at 8:00pm

Parking for City staff during Oktoberfest:

We will work with Jennifer Krupa to secure Staff parking if needed.

Pedernales Creative Arts Alliance, sponsors of Oktoberfest, is a non-profit, 501(c)3 organization. Through Oktoberfest's success, PCAA gives back to the community.

How the community benefits from Oktoberfest:

- MarktPlatz PCAA Musical Evenings are scheduled for six Sundays and are free. This is our way to thank the community for their support and volunteerism.

Festival Office:  
703 N Llano  
Fredericksburg TX 78624  
830-997-4810  
[www.oktoberfestinfbg.com](http://www.oktoberfestinfbg.com)

---

First Weekend in October  
October 6-8, 2023  
Downtown on Marktplatz



- Sixteen students will receive scholarships this year.
- Over 25 grants for local art programs are awarded. Some of the recipients include local art guilds, school programs, concerts, theater, band instruments, and more. Along with many enhancements to MarktPlatz: Oktoberfest Halle, Maibaum, new picnic tables, new tables/chairs for new room on northwest corner of Marktplatz, landscape/hard-scape, Fest Zimmer and public restroom remodels and Die Küche.

When Oktoberfest opened its gate in 1981, there was one stage, a handful of artisans and three food concessionaires. Today we have grown the Festival where we feature five entertainment stages (Oompah at its Best!), bountiful kid's area, hi-strikers, polka and waltz contests, local artisans tent, arts and crafts, German, Texas Craft and domestic beer selection, wine, food concessionaires, a 42 tournament, OkTUBAFest, stein hoist contests, a family Lederhosen and Dirndl contest, Hauptstrasse Chicken Dance and thousands of content festival-goers.

The street closures have had a positive impact with Oktoberfest's continued growth and success.

We look forward to working with you again to make this a huge success for not only Oktoberfest but the community as well.

Festively,

Debbie Reeh  
Oktoberfest Manager and Event Producer



March 20, 2023

First Weekend

In October!!

OCTOBER 6-8, 2023

MarktPlatz

Downtown

Fredericksburg

Oompah at its best!

**Oktoberfest**  
**Celebrates**  
**43 Years**  
**of Texas**  
***Gemütlichkeit***



OktoberfestinFbg.com

830-997-4810

Fest Office:

703 N Llano

Danke Schön!

Creations in Jewelry  
Mark Toomey  
103 N Adams Street  
Fredericksburg TX 78624

Dear Mark,

We are grateful for your continued support of the street closure request. The working relationship we have with you, the other retailers, the Mayor, Council, Police, and City staff certainly help Oktoberfest.

Oktoberfest is requesting the Adams Street closure (same logistical plan):  
Adams Street -- Wednesday, October 4<sup>th</sup> at 7:00am – Monday, October 9<sup>th</sup> at 3:00pm.

Pedernales Creative Arts Alliance, sponsors of Oktoberfest, is a non-profit, 501(c)3 organization. Through Oktoberfest's success, PCAA gives back to the community.

How the community benefits from Oktoberfest:

- Sixteen students will receive scholarships this year.
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- MarktPlatz PCAA Musical Evenings are scheduled for six Sundays and are free. This is our way to thank the community for their support and volunteerism.

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- We feature five entertainment stages (Oompah at its Best!), bountiful kid's area, hi-strikers, polka and waltz contests, local artisans tent, arts and crafts, German, Texas Craft and domestic beer selection, wine, food concessionaires, a 42 tournament, OKTUBAFest, stein hoist contests, a family Lederhosen and Dirndl contest, Hauptstrasse Chicken Dance and thousands of content festival-goers

Debbie Farquhar Reeh  
Oktoberfest Manager and Event Producer



March 20, 2023

First Weekend  
In October!!

Cross Cultures  
Wally Overfelt  
105 N Adams  
Fredericksburg Texas 78624

OCTOBER 6-8, 2023

Dear Wally,

MarktPlatz  
Downtown  
Fredericksburg  
Oompah at its best!

We are grateful for your continued support of the street closure request. The working relationship we have with you, the other retailers, the Mayor, Council, Police, and City staff certainly help Oktoberfest.

Oktoberfest is requesting the Adams Street closure (same logistical plan):  
Adams Street -- Wednesday, October 4<sup>th</sup> at 7:00am – Monday, October 9<sup>th</sup> at 3:00pm.

Oktoberfest  
Celebrates  
43 Years  
of Texas  
*Gemütlichkeit*

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OktoberfestinFbg.com  
830-997-4810  
Fest Office:  
703 N Llano

When Oktoberfest opened its gate in 1981, there was one stage, a handful of artisans and three food concessionaires. Today we have grown the Festival where:

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Danke Schön!

Debbie Farquhar Reeh  
Oktoberfest Manager and Event Producer



March 20, 2023

First Weekend

In October!!

Simple Home Goods  
Christina Lincoln  
109 N Adams  
Fredericksburg Texas 78624

OCTOBER 6-8, 2023

Dear Christina,

MarktPlatz

Downtown

Fredericksburg

Oompah at its best!

We are grateful for your continued support of the street closure request. The working relationship we have with you, the other retailers, the Mayor, Council, Police, and City staff certainly help Oktoberfest.

Oktoberfest is requesting the Adams Street closure (same logistical plan):  
Adams Street -- Wednesday, October 4<sup>th</sup> at 7:00am – Monday, October 9<sup>th</sup> at 3:00pm.

**Oktoberfest**  
**Celebrates**  
**43 Years**  
**of Texas**  
*Gemütlichkeit*

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How the community benefits from Oktoberfest:

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OktoberfestinFbg.com

830-997-4810

Fest Office:

703 N Llano

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Danke Schön!

Debbie Farquhar Reeh  
Oktoberfest Manager and Event Producer





March 20, 2023

First Weekend  
In October!!

Texas Jack Wild West  
Jamie and Bryce Wayt  
117 N Adams St  
Fredericksburg TX 78624

OCTOBER 6-8, 2023

Dear Jamie and Bryce,

MarktPlatz

We are grateful for your continued support of the street closure request. The working relationship we have with you, the other retailers, the Mayor, Council, Police, and City staff certainly help Oktoberfest.

Downtown

Fredericksburg

Oktoberfest is requesting the Adams Street closure (same logistical plan):  
Adams Street -- Wednesday, October 4<sup>th</sup> at 7:00am – Monday, October 9<sup>th</sup> at 3:00pm.

Oompah at its best!

Pedernales Creative Arts Alliance, sponsors of Oktoberfest, is a non-profit, 501(c)3 organization. Through Oktoberfest's success, PCAA gives back to the community.

Oktoberfest  
Celebrates  
43 Years  
of Texas  
*Gemütlichkeit*

How the community benefits from Oktoberfest:

- Sixteen students will receive scholarships this year.
- Over 25 grants for local art programs are awarded. Some of the recipients include local art guilds, school programs, concerts, theater, band instruments, and more. Along with many enhancements to MarktPlatz: Oktoberfest Halle, Maibaum, new picnic tables, new tables/chairs for new room on northwest corner of Marktplatz, landscape/hardscape, Fest Zimmer and public restroom remodels and Die Küche.
- MarktPlatz PCAA Musical Evenings are scheduled for six Sundays and are free. This is our way to thank the community for their support and volunteerism.



OktoberfestinFbg.com

830-997-4810

Fest Office:

703 N Llano

When Oktoberfest opened its gate in 1981, there was one stage, a handful of artisans and three food concessionaires. Today we have grown the Festival where:

- We feature five entertainment stages (Oompah at its Best!), bountiful kid's area, hi-strikers, polka and waltz contests, local artisans tent, arts and crafts, German, Texas Craft and domestic beer selection, wine, food concessionaires, a 42 tournament, OKTUBAFest, stein hoist contests, a family Lederhosen and Dirndl contest, Hauptstrasse Chicken Dance and thousands of content festival-goers

Danke Schön!

Debbie Farquhar Reeh  
Oktoberfest Manager and Event Producer









## **CITY COUNCIL AGENDA MEMO**

---

**DEPARTMENT:** Parks and Recreation  
**TO:** Mayor & City Council Members  
**FROM:** Jennifer Krupa, Asst. PARD Director/  
Special Events  
**MEETING DATE:** April 18, 2023

**CATEGORY:** CONSENT

---

**CAPTION:** Approve a street closure request for the Fredericksburg Morning Rotary Club's 13th Annual Kraut Run, taking place on Saturday, October 7, 2023 (Jennifer Krupa, Assistant Director of Parks and Recreation/Special Events Coordinator)

---

### **PRESENTATION:**

#### **SUMMARY:**

The 13th annual Oktoberfest Kraut Run, which raises money for literacy and reading programs at FISD primary, elementary, and middle schools, will take place on Saturday, October 7, 2023. The start/finish area for the run is on and adjacent to the horseshoe entry drive of Fredericksburg Middle School. The event takes runners through the residential area northeast of downtown Fredericksburg, between SH 16 North and North Milam/965, returning to the start/finish area via North Adams and Travis St.

While the start/finish areas are on the school grounds on the NW side of Travis, the post-race celebration and awards ceremony are held on the SE side of Travis. In addition, event organizers rent the Town Pool bathhouse, which is also on the SE side of Travis. The bathhouse allows runners to prepare for the race and clean-up after the race, so that they have the option of enjoying Oktoberfest events. This arrangement, which is necessary because the post-race party is prohibited on FISD grounds, causes a large amount of pedestrian traffic back and forth across Travis St.

Run organizers requested to close one block of W. Travis St. from N. Crockett to N. Adams during the event. During that time, through traffic on Travis St. will need to detour one block to W. Schubert.

#### **BACKGROUND:**

The request above has been approved by City Council for the 2018, 2019, 2021, & 2022 Kraut Runs, and a completed special event application is on file.

Lt. Seelig (Police Department) and Garrett Durst (Streets Division) have both reviewed and approved the request. Emergency vehicle access will be allowed throughout the closure.

The Fredericksburg Morning Rotary will mail notification letters to those affected by the closure. A copy of the letter is attached to this request.

The streets division will deliver the closure equipment on October 6, 2023, and the Morning Rotary Club will install the closure equipment on Saturday morning. The event organizers will be responsible for removing the equipment at 12 p.m. on the event day and placing the equipment on the side of the street for pick-up by the streets division on Monday, October 9, 2023.

Chapter 44, Article II, Section 44-24, of the City's Code of Ordinances states:

Sec. 44-24. - Authority of chief of police to enforce traffic regulations.

(a) The chief of police is hereby empowered to take all actions as may be necessary or advisable to enforce traffic regulations to make effective the provisions of this chapter and other traffic laws or ordinances and to make and enforce temporary or experimental regulations to cover emergencies or special events or conditions. No such temporary or experimental regulation shall remain in effect for more than 90 days, nor shall it be effective until approved by the City Manager.

(b) The chief of police is hereby empowered, in addition to the traffic engineer, to close streets for emergencies, special events or other conditions. Street closures which are expected to be for periods in excess of two hours, except for emergencies, shall require approval by the City Council.

**FUNDING SOURCE:** General Fund

**FINANCIAL IMPACT:**

**STAFF RECOMMENDATION:**

Recommend City Council consider adoption of a motion to allow the Fredericksburg Morning Rotary Club to close W. Travis St. from N. Crockett to N. Adams from 6:30 a.m. to 12:00 p.m. on Saturday, October 7, 2023, for the 13<sup>th</sup> annual Kraut Run.

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**COMMUNITY VISIONING/STRATEGIC INITIATIVES:**

Quality of Life Vision

---

**ATTACHMENTS:**

1. Kraut Run 2023\_Street Closure Back-up

**APPROVAL/REVIEW:**

\_\_\_\_\_  
Andrea Schmidt, Parks and Recreation Director

Date: March 16, 2023

\_\_\_\_\_  
Laura Hollenbeak, Finance Director

Date: March 29, 2023

\_\_\_\_\_  
William McKamie, City Attorney

Date: March 29, 2023



\_\_\_\_\_  
Shelley Goodwin, City Secretary

Date: April 11, 2023



\_\_\_\_\_  
Clinton Bailey, City Manager

Date: April 12, 2023



## SPECIAL EVENTS STREET CLOSURE REQUEST



Street closure requests must be made two (2) months in advance to City Council for any closure four (4) hours or more. Please consider this timeline when submitting your request. Please also attach the notification letter you will send to abutting property owners (if applicable) with this request to the Special Events Coordinator.

|                       |                                           |
|-----------------------|-------------------------------------------|
| <b>Event Name:</b>    | Kraut Run (Fredericksburg Morning Rotary) |
| <b>Event Date(s):</b> | Saturday, October 7, 2023                 |
| <b>Contact Name:</b>  | Hugh Reeves                               |
| <b>Contact Phone:</b> | ( 832 ) 971-4547                          |

**Closure Area:**

☒ Entire Street
 ☐ Parking Lane Only
 ☐ Partial Street
 ☐ Blocking City owned property  
 Side of street: \_\_\_\_\_ (N,S,E,W) Side of street: \_\_\_\_\_ Location: \_\_\_\_\_

Additional details (attach additional pages as needed for more streets and describe details of use below):

### Street Closure Details:

| Street Name | Between<br>(cross street) | And<br>(cross street) | Start Date            | Start Time | End Date              | End Time |
|-------------|---------------------------|-----------------------|-----------------------|------------|-----------------------|----------|
| Example:    | Crockett Street           | Adams Street          | Friday, 4/2/18        | 6:00 PM    | Sunday, 4/4/18        | 12:00 PM |
| W. Travis   | N. Crockett               | N. Adams              | Sat., Oct. 7,<br>2023 | 6:30 AM    | Sat., Oct. 7,<br>2023 | 12:00 PM |
|             |                           |                       |                       |            |                       |          |
|             |                           |                       |                       |            |                       |          |
|             |                           |                       |                       |            |                       |          |
|             |                           |                       |                       |            |                       |          |

If the event will impact surrounding property owners, a notification letter is required to be sent to property owners at least two weeks prior to the event date. Attach a copy of the notification letter and a list of addresses the letter will be sent to.

Date notice provided: March 15, 2023

Printed Name: Hugh Reeves

Date: March 15, 2023

Signature: \_\_\_\_\_

Date: March 15, 2023

Street Department: \_\_\_\_\_

a. Dust via email

Date: \_\_\_\_\_

3-16-23

Police Department: \_\_\_\_\_

D. Seelig via email

Date: \_\_\_\_\_

3-16-23

Parks Department: \_\_\_\_\_

Jeffer Kuerp

Date: \_\_\_\_\_

3-15-23



# KRAUT RUN

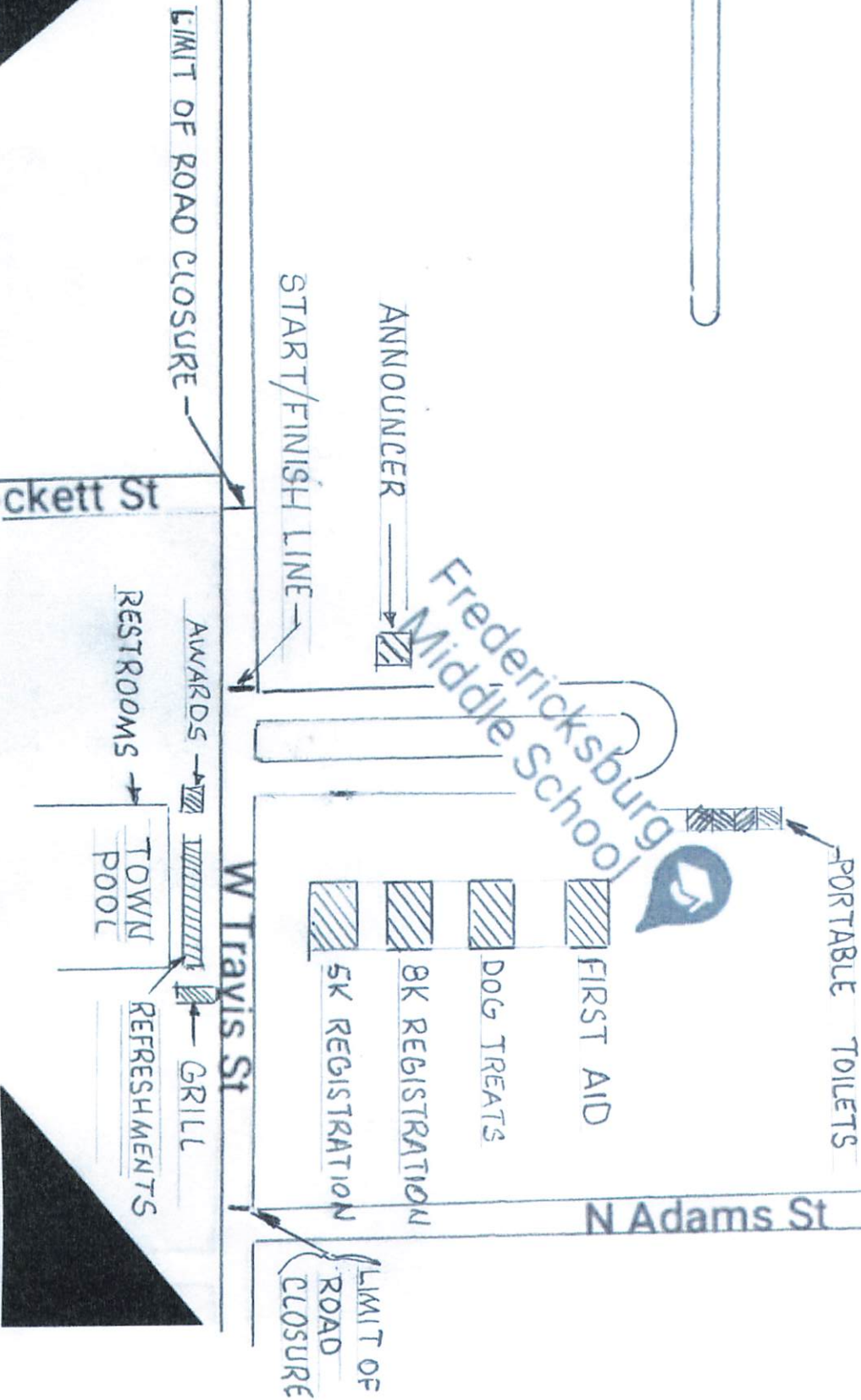
## Barricade Location Plan



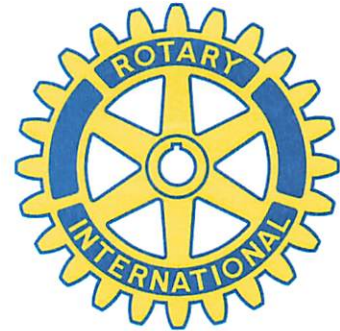
COLLEGE St

# KRAUT RUN SITE PLAN

NC



## Fredericksburg Morning Rotary



### Kraut Run/Walk 8K/5K 2023

From: Fredericksburg Morning Rotary

Subject: Information on the Kraut Run Event for 2023

In accordance with the City of Fredericksburg event approval procedures, we are providing information on this Rotary event which will be conducted in your neighborhood on October 07, 2023.

The 13<sup>th</sup> Annual Kraut Run 8K/5K Run and 5K Walk will be held on Saturday, October 07, 2023, starting at 8:00 a.m. at the Fredericksburg Middle School grounds, 110 West Travis. Fredericksburg.

The Kraut Run course runs through residential and rural area northeast of Fredericksburg between RR 965 and SH 16. See attached map for detail.

We will begin set-up of the start/finish area at 6:00 a.m. Runners will start to arrive at 7:00 a.m., and we will attempt to make as little noise as possible, until we approach the 7:00 a.m. registration time.

Due to congestion at the start/finish area at Fredericksburg Middle School, we have requested the closure of W. Travis St. from N. Crockett to N. Adams from 6:30 a.m. to 12:00 p.m. During that time, through traffic on Travis St. will need to detour one block to W. Schubert.

Proceeds for the Kraut Run benefit the literacy efforts of the Fredericksburg Morning Rotary in support of the primary, elementary and middle schools of Fredericksburg ISD, as well as Books for Babies, a community program. Our Rotary club is one of the most important sources of funding of book for the libraries of these schools.

Donations to our literacy efforts can be made by mail to Fredericksburg Morning Rotary, P.O. Box 3031, Fredericksburg, TX 78624.

For more information on our event or to volunteer to help with the race, visit our website at <https://athleteguild.com/running/fredericksburg-tx/2023-oktoberfest-kraut-run> or our Facebook page at [www.facebook.com/krautrun/](http://www.facebook.com/krautrun/). Race coordinator Hugh Reeves can be reached at [hugh@hughandbecky.com](mailto:hugh@hughandbecky.com) or call him at 832 971 4547.

**The Fredericksburg Morning Rotary Charity Fund is a 501(c)(3) exempt nonprofit corporation**

**EIN#35-2300785. Contributions are tax deductible in accordance with current IRS regulations**



## **CITY COUNCIL AGENDA MEMO**

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**DEPARTMENT:** Parks and Recreation  
**TO:** Mayor & City Council Members  
**FROM:** Jennifer Krupa, Asst. PARD Director/  
Special Events  
**MEETING DATE:** April 18, 2023

**CATEGORY:** CONSENT

---

**CAPTION:** Approve a street closure request for the 33rd Annual Fredericksburg Food & Wine Fest, taking place on October 28, 2023, at Marktplatz (Jennifer Krupa, Assistant Director of Parks and Recreation/Special Events Coordinator)

---

### **PRESENTATION:**

#### **SUMMARY:**

The Fredericksburg Food & Wine Fest is requesting to close the parking lane and one southbound lane of Adams Street adjacent to Marktplatz between Main Street and Austin Street for the 2023 event, beginning on Thursday, October 26, 2023, at 7:00 a.m., and ending on Monday, October 30, 2023, at noon.

#### **BACKGROUND:**

This year will be the 33rd annual Fredericksburg Food & Wine Fest. As the event has grown with wine and specialty booth vendors, so has the need for space and additional time for these vendors to load-in and load-out. We do not allow vendors to drive into Marktplatz to unload supplies. Vendors begin to drop off wine and event supplies in the week leading up to the event with the majority of supply drop-offs taking place Thursday and Friday morning. In addition, dumpsters are delivered Friday morning and placed on Adams Street in the parking & southbound lane (please see aerial map) for easy access by the event clean-up crew and are not removed until Monday morning.

The Street Department (Garrett Durst) and Police Department (Lt. Seelig) have both reviewed the closure request and no negative feedback was received. The street closure will not impact any of the parking in front of the merchants on Adams Street.

Chapter 44, Article II, Section 44-24, of the City's Code of Ordinances states:

Sec. 44-24. - Authority of chief of police to enforce traffic regulations.

(a) The chief of police is hereby empowered to take all actions as may be necessary or advisable to enforce traffic regulations to make effective the provisions of this chapter and other traffic laws or ordinances and to make and enforce temporary or experimental regulations to cover emergencies or special events or conditions. No such temporary or experimental regulation shall remain in effect for more than 90 days, nor shall it be effective until approved by the City Manager.

(b) The chief of police is hereby empowered, in addition to the traffic engineer, to close streets for



emergencies, special events or other conditions. Street closures which are expected to be for periods in excess of two hours, except for emergencies, shall require approval by the City Council.

**FUNDING SOURCE:** General Fund

**FINANCIAL IMPACT:**

**STAFF RECOMMENDATION:** Recommend City Council consider adoption of a motion to approve the street closure request for the 2023 Fredericksburg Food & Wine Fest:

- Adams Street (parking lane and one southbound lane) between Main Street and Austin Street beginning on Thursday, October 26, 2023, at 7:00 a.m., through Monday, October 30, 2023, at 12:00 p.m.

---

**COMMUNITY VISIONING/STRATEGIC INITIATIVES:**

Quality of Life Vision

---

**ATTACHMENTS:**

1. FF&WF 2023 Street Closure Request
2. 2022 Aerial

**APPROVAL/REVIEW:**

*Andrea Schmidt*

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Andrea Schmidt, Parks and Recreation Director

Date: March 22, 2023

---

Laura Hollenbeak, Finance Director

Date: March 29, 2023

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William McKamie, City Attorney

Date: March 29, 2023

*Shelley Goodwin*

---

Shelley Goodwin, City Secretary

Date: April 11, 2023

*Clinton Bailey*

---

Clinton Bailey, City Manager

Date: April 12, 2023



## SPECIAL EVENTS STREET CLOSURE REQUEST



Street closure requests must be made two (2) months in advance to City Council for any closure two (2) hours or more. Please consider this timeline when submitting your request. Please also attach the notification letter you will send to abutting property owners (if applicable) with this request to the Special Events Coordinator.

|                       |                                            |
|-----------------------|--------------------------------------------|
| <b>Event Name:</b>    | <i>Fredericksburg Food &amp; Wine Fest</i> |
| <b>Event Date(s):</b> | <i>Saturday, October 28, 2023</i>          |
| <b>Contact Name:</b>  | <i>Debbie Reeh</i>                         |
| <b>Contact Phone:</b> | <i>( ) 830-997-8515</i>                    |

**Closure Area:**

☐ Entire Street
 ☒ Parking Lane Only
 ☒ Partial Street
 ☐ Blocking City owned property

Side of street: West (N,S,E,W)
 Side of street: West
 Location: \_\_\_\_\_

Additional details (attach additional pages as needed for more streets and describe details of use below):

**We are requesting to close the parking lane and one SB lane adjacent to Marktplatz**

### Street Closure Details:

| Street Name  | Between<br>(cross street) | And<br>(cross street) | Start Date     | Start Time | End Date       | End Time |
|--------------|---------------------------|-----------------------|----------------|------------|----------------|----------|
| Example:     | Crockett Street           | Adams Street          | Friday, 4/2/21 | 6:00 PM    | Sunday, 4/4/21 | 12:00 PM |
| Adams Street | Austin Street             | Main Street           | Thu, 10/26/23  | 7:00 am    | Mon, 10/30/23  | Noon     |
|              |                           |                       |                |            |                |          |
|              |                           |                       |                |            |                |          |
|              |                           |                       |                |            |                |          |
|              |                           |                       |                |            |                |          |

If the event will impact surrounding property owners, a notification letter is required to be sent to property owners at least two weeks prior to the event date. Attach a copy of the notification letter and a list of addresses the letter will be sent to.

Date notice provided: N/A

Printed Name: Debbie Reeh

Date: 3/21/23

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Street Department: G. Durst via email

Date: 3-21-23

Police Department: Lt. Seelig via email

Date: 3-21-23

Parks Department: Janifer Kupsz

Date: 3-21-23









## **CITY COUNCIL AGENDA MEMO**

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**DEPARTMENT:** Development Services  
**TO:** Mayor & City Council Members  
**FROM:** Anna Hudson, Interim Director of  
Development Services  
**MEETING DATE:** April 18, 2023

**CATEGORY:** ORDINANCES, RESOLUTIONS  
AND PUBLIC HEARINGS

---

**CAPTION:** Conditional Use Permit (CUP) per Section 3.110 to operate an STR-Facility in an R2 Zoned Area abutting a non-residential Zoning District for property located at 112 East Schubert (Z-2304) (Anna Hudson, Interim Director of Development Services)

- i. Presentation
  - ii. Hold a public hearing to hear comments for or against the request for a Conditional Use Permit
  - iii. Take action on the request for CUP
- 

### **PRESENTATION:**

#### **SUMMARY:**

REQUEST #Z-2304: BY JOHN ELLIS TO CONSIDER A CONDITIONAL USE PERMIT PER SECTION 3.110 TO OPERATE A STR-FACILITY IN A R2 ZONED AREA ABUTTING A NON-RESIDENTIAL ZONING DISTRICT FOR PROPERTY LOCATED AT 112 EAST SCHUBERT.

#### **BACKGROUND:**

Planning and Zoning previously considered a Conditional Use Permit (CUP) for this property to operate an STR-Unoccupied on August 3, 2022 (Z-2216). At that time, the then-owners requested a CUP for the main residence only and obtained an STR-Unoccupied permit for 2 bedrooms. The Applicant is requesting a Conditional Use Permit per [Sec. 3.110](#) of the Zoning Ordinance to operate an STR-Facility in an R2-zoned area abutting a non-residential zoning district for property located at 112 East Schubert. The subject tract has frontage on both E. Travis and E. Schubert Streets and is bordered by C2 zoning to the East and R2 Zoning to the North, South, and West. The majority of the surrounding R2-zoned properties are currently operating as STR's.

The request is for a 3-bedroom short-term rental unit within the main structure and a 2-bedroom short-term rental unit within the existing carriage house. The development is proposing 4 parking spaces on site along with 4 on-street, which meet the parking requirements which are calculated at 60% of the occupancy for an STR-Facility. [Sec. 7.860 Table 7.863](#) Occupancy for the 3-bedroom unit would be 8, and the 2-bedroom unit would have an occupancy of 6 for a total occupancy of 12.

[Sec. 5.460 – Review and Evaluation Criteria](#) contains 13 items that must be considered when reviewing a Conditional Use Permit. Of these 13 items, Staff has found that the applicant has met or responded to all the requirements, including adequacy and convenience of off-street parking, a

determination that the proposed use will not be detrimental to public safety or materially injurious to properties in the vicinity, and determination that the proposed use and site development will be compatible with existing uses in the vicinity.

Public notification, including letters being sent to property owners within 200 feet, resulted in two responses in support and three in protest.

**FUNDING SOURCE:**

**FINANCIAL IMPACT:**

**STAFF RECOMMENDATION:**

Planning & Zoning unanimously recommended approval per staff recommendation on April 5, 2023. As presented, the proposed STR-Facility use meets the requirements of a conditional use permit. As the subject tract is surrounded by STR or commercial uses, staff recommends approval conditioned upon the following:

Review/inspection and approval of a STR Permit Application(s) and payment of applicable fees.

---

**COMMUNITY VISIONING/STRATEGIC INITIATIVES:**

Quality of Life Vision

---

**ATTACHMENTS:**

1. Z-2304 - Project Application and Documents
2. Z-2304 Public Hearing Map
3. Z-2304 Response to Comments
4. 112 E. Schubert Floorplan1
5. Z-2235 Mailing Labels
6. Richardson Approval Letter
7. Smith Protest
8. Walder Protest 2
9. Reeves Protest Letter
10. Reichenau Approval

**APPROVAL/REVIEW:**



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Garret Bonn, Assistant City Manager

Date: April 11, 2023

---

William McKamie, City Attorney

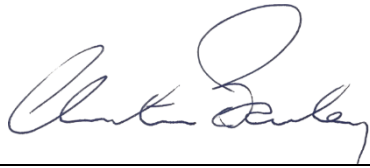
Date: April 12, 2023



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Shelley Goodwin, City Secretary

Date: April 12, 2023

A handwritten signature in blue ink, appearing to read "Clinton Bailey", is positioned above a horizontal line.

Clinton Bailey, City Manager

Date: April 12, 2023





# Project Application

City of Fredericksburg - Development Services Department  
126 W. Main St., Fredericksburg, TX 78624 – (830)997-7521

## A. Project Information (Please complete all items.)

Project Name: Ellis Short Term Rental Permit Revision (STR22-0255)

Project Address: 112 E. Schubert St., Fredericksburg, TX 78624

Tax ID Number (s):

## Application Type (Check all items that apply.)

- |                                                            |                                            |                                           |
|------------------------------------------------------------|--------------------------------------------|-------------------------------------------|
| <input checked="" type="checkbox"/> Conditional Use Permit | <input type="checkbox"/> Minor Plat*       | <input type="checkbox"/> Plat Vacation    |
| <input type="checkbox"/> Site Plan                         | <input type="checkbox"/> Replat*           | <input type="checkbox"/> Annexation*      |
| <input type="checkbox"/> Entry Corridor Design             | <input type="checkbox"/> Amending Plat*    | <input type="checkbox"/> Development Plat |
| <input type="checkbox"/> Land Use Plan Change              | <input type="checkbox"/> Preliminary Plat* |                                           |
| <input type="checkbox"/> Zoning Change                     | <input type="checkbox"/> Final Plat*       |                                           |

Revision of Approved Plan / Plat? ☐ Yes ☒ No Name: Revision to STR22-0255

Jurisdiction: ☒ City Limits ☐ ETJ Total Acres: 0.4661 No. of Lots: 1

Original Survey & Abstract No:

Legal Description: Townlot 527, Block 45 of the FBG Addition

Current Land Use Plan: Residential

Proposed Land Use Plan: Residential

Current Zoning: R-2

Proposed Zoning: R-2

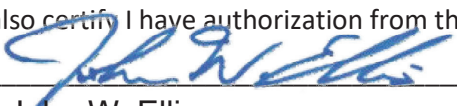
Location: 112 E. Schubert Street

Proposed Use(s): Short Term Rental - Dwelling Unit/Facility

## Applicant's Signature

Applicant's Role: ☒ Owner ☐ Developer ☐ Other (note role):

I hereby certify that the information supplied with this application is true and correct, and that the paper and electronic copies of the materials submitted are consistent with each other, to the best of my knowledge. I also certify I have authorization from the owner to act on his / her behalf.

Signature: 

Printed Name: John W. Ellis

Date: 1/25/2023

## Staff Use Only

Application No.: Z-2304 Date: 01/25/23

\*Copy of current Title Search required with application.

CK#1001 \$400.00



# Project Application

City of Fredericksburg - Development Services Department  
126 W. Main St., Fredericksburg, TX 78624 – (830)997-7521

## B. Contact Information (Please complete all items. Attach additional pages as necessary.)

### I. Property Owner(s)

Firm Name (if applicable):

Owner Name: John and Bethany Ellis

Address: 10601 La Plata Cv, Austin, TX 78737

Phone: 512-914-9911

Fax:

Email: johnwilliamellis@gmail.com;  
bethanymellis@gmail.com

### II. Owner's Agent/Engineer/Surveyor (Main contact person responsible for application)

Role: ☐ Agent ☐ Engineer ☐ Surveyor ☐ Other (note role):

Firm Name (if applicable):

Address:

**Primary Contact Name:**

Phone:

Fax:

Email:

**Secondary Contact Name:**

Phone:

Fax:

Email:

### III. Applicant

Firm Name (if applicable):

Applicant Name (s): John and Bethany Ellis / Hudson Brooks Holdings, LLC

Address: Same as above

Phone:

Fax:

Email: johnwilliamellis@gmail.com;  
bethanymellis@gmail.com

### IV. Applicant's Agent/Engineer/Surveyor (Main contact person responsible for application)

Role: ☐ Agent ☐ Engineer ☐ Surveyor ☐ Other (note role):

Firm Name (if applicable):

Address:

**Primary Contact Name:**

Phone:

Fax:

Email:



# Project Application

City of Fredericksburg - Development Services Department  
126 W. Main St., Fredericksburg, TX 78624 – (830)997-7521

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## C. Fee Schedule (Please attach appropriate fee to application.)

- ☒ Conditional Use Permit Application - \$400
- ☐ Site Plan Application Admin - \$300
- ☐ Site Plan Application P&Z - \$400
- ☐ Entry Corridor Design - \$100
- ☐ Application for Zoning Change - \$400
- ☐ Application for Land Use Change - \$300
- ☐ Minor Plat - \$300
- ☐ Replat - \$300 plus \$20 per lot
- ☐ Amending Plat - \$200
- ☐ Preliminary Plat - \$400 plus \$20 per lot
- ☐ Final Plat - \$500 plus \$10 per lot

## D. Recording Fee Schedule

For plats, a recording fee will be collected when mylars are presented. The check should be made payable to Gillespie County Clerk and the recording fees are \$121.00 plus \$10.00 per lot.



## SITE PLAN/CONDITIONAL USE PERMIT CHECKLIST P & Z and Administrative Review

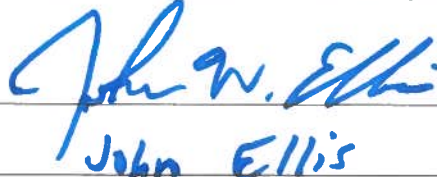
- ☒ Address and legal description of property
- ☒ Proof of title showing the owner and lien holders, if any
- ☒ Brief description of the proposed use, including information pertinent to the review and evaluation criteria stated in Section 7.131
- ☒ 6 Copies of the Site Plan (24" x 36" sheet size)
- ☒ PDF copies emailed to [scollier@fbgtx.org](mailto:scollier@fbgtx.org)
- ☒ The site plan shall be drawn to scale, and sufficiently dimensional as necessary to show the following:
  - ☒ The date, scale, north point, title, name of owner and name of person preparing the Site Plan.
  - ☒ The location and dimension of boundary lines, easements, and required yards and setbacks of all existing and proposed buildings and land improvements.
  - ☒ The location, height and intended use of existing and proposed buildings on site, and approximate locations of buildings on abutting sites within 50'
  - ☒ The location of existing and proposed improvements including parking and loading areas, pedestrian and vehicular access and utility or service areas.
  - ☒ The location of existing and proposed fencing and screening.
  - ☒ Proposed exterior lighting, including fixture type.
  - ☐ *N/A* The center line of existing water courses, drainage features and 100-year floodplain.
  - ☐ *N/A* On sites affected by the 100 year floodplain, impervious coverage and building coverage are based on the area outside the floodplain. Provide calculations accordingly.
  - ☐ *N/A* Location and size of existing and proposed streets and alleys.
  - ☒ The number of existing and proposed parking and loading spaces, and a calculation of applicable minimum requirements.
  - ☒ Zoning summary, including type, minimum and actual lot size, setbacks, maximum and actual building height, building coverage and impervious coverage.
  - ☐ *N/A* Sites with 10% or greater slope, provide existing and proposed topography and grading (5' minimum contour intervals), and erosion control measures.
  - ☐ *N/A* The location of signs, if known.
  - ☒ *N/A* Location of solid waste container.
  - ☐ Locations of proposed and existing water, sewer and electric utilities.
  - ☐ *N/A* The location of the visibility triangle at street intersections and driveways.
  - ☐ *N/A* Fire Lanes
  - ☒ Landscaping, including location, size, and species of existing trees on site, square footage of all proposed landscape areas
  - ☒ Applicable Fee



Note: Additional information may be required to complete review of proposed project by City of Fredericksburg.

I hereby acknowledge that the items listed above are included with this submittal and that any items not included with this application will result in this application being deemed incomplete and returned without review or scheduled for the upcoming meeting dates.

Owner/Agent:



Date:

1/26/2023

Printed Name:

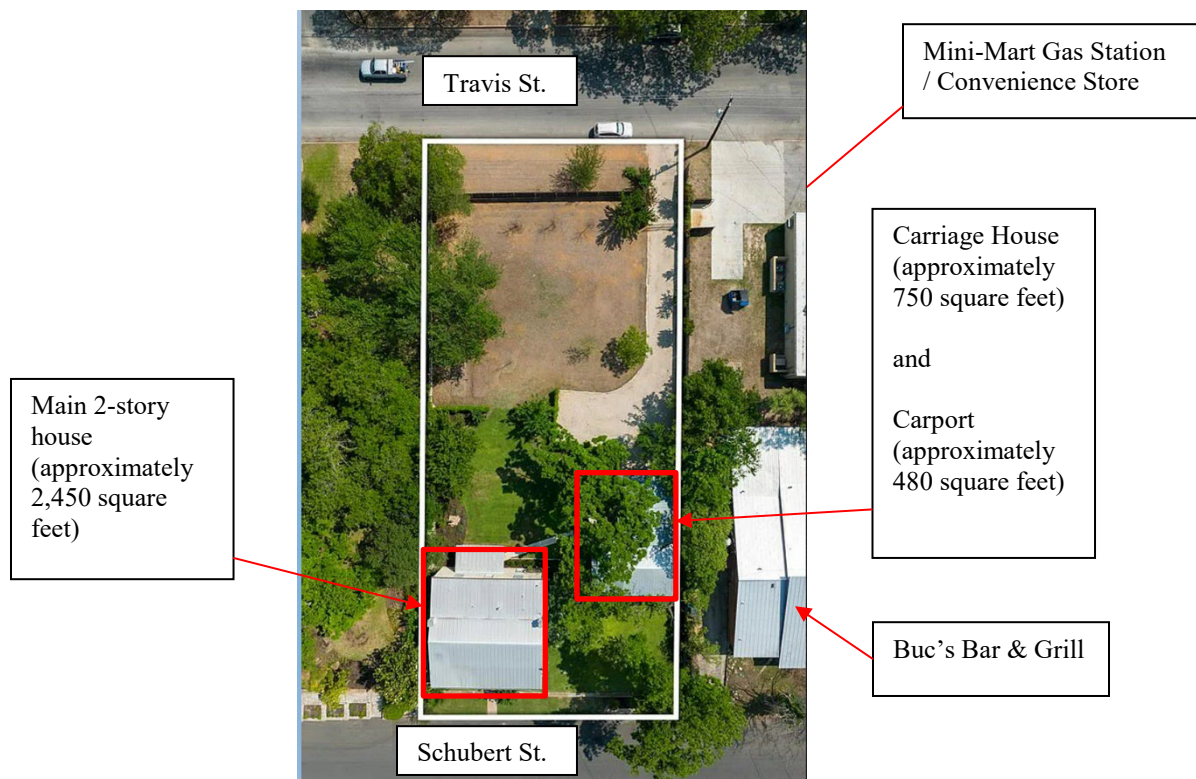
John Ellis



## Supplemental Materials to Application Concerning the Property at 112 E. Schubert Street, Fredericksburg, Texas 78624

### Brief description of the proposed use, including information pertinent to the review and evaluation criteria in Section 7.131:

- My wife and I recently purchased this historic property. As small-town natives, we are excited to have a home close by to get away from the city with our two young boys and enjoy the many benefits of life in the Fredericksburg community.
- At the time we purchased the property, it had recently been approved under the 2022-13 Ordinance as an STR-Unoccupied. That permit was timely transferred to us following our November 2022 closing. While we are not using our home, we have been operating the premises as a short-term rental under that permit—STR22-0255.
- The existing improvements on 0.467-acre property include a historic, two-story home and a largely unfinished carport/carriage house structure as shown in the diagram below. The purpose of this application is to ensure we have approval under the STR-Unoccupied Conditional Use Permit to rent all three bedrooms in the main, two-story home and to also seek flexibility to rent the existing two-bedroom carriage house to guests.



- The property is zoned R-2, which Ordinance 2022-13 generally authorizes for use as short term rentals. Because our property is situated within the historic district, however, Ordinance 2022-13 requires a conditional use permit. Accordingly, our property was previously granted a conditional use permit for operation as a Short Term Rental-Unoccupied in August 2022.
- The main house consists of three bedrooms as shown in the accompanying floorplan documents. However, the previous owners' permit application sought approval for capacity for only a two-bedroom home. When the STR permit was transferred to us, we requested permission to amend the permit to account for the entire capacity of the main home pursuant to section 5.401(10)(d) of the ordinance. We were informed that the request to increase capacity from 6 adults to up to 8 adults (to account for all three bedrooms instead of two rooms) required an entirely new application and fee. Accordingly, we are submitting this request.
- In addition to correcting the capacity for the main home, we are requesting a revision of the STR permit to provide us the flexibility to rent the existing carriage house as an STR dwelling unit, either separately from the main house or together as a single dwelling unit. Our property is adjacent to commercially zoned lots, so it is a parcel that was specifically contemplated under Ordinance 2022-13 as a location suitable for an STR-Facility permit.
- The requested changes would result in the following maximum capacity for the two structures on our land:

| Structure                | Existing Capacity Under STR22-0255 Permit | Requested New Capacity |
|--------------------------|-------------------------------------------|------------------------|
| 3-Bedroom Primary Home   | 6 adults                                  | 8 adults               |
| 2 Bedroom Carriage House | 0 adults                                  | 4 adults               |

- Our lot consists of 20,000 square feet of land, and the total living space for both structures is approximately 3,230 square feet.
- The main home has been operating as an STR-Unoccupied since December 2022 with no complaints from the City or surrounding neighbors.
- To address privacy concerns that were raised in connection with the previous owners' STR application, a privacy fence on the shared property line with the residential lot located next door at 108 E. Schubert was completed along the shared lot line before we acquired the property,



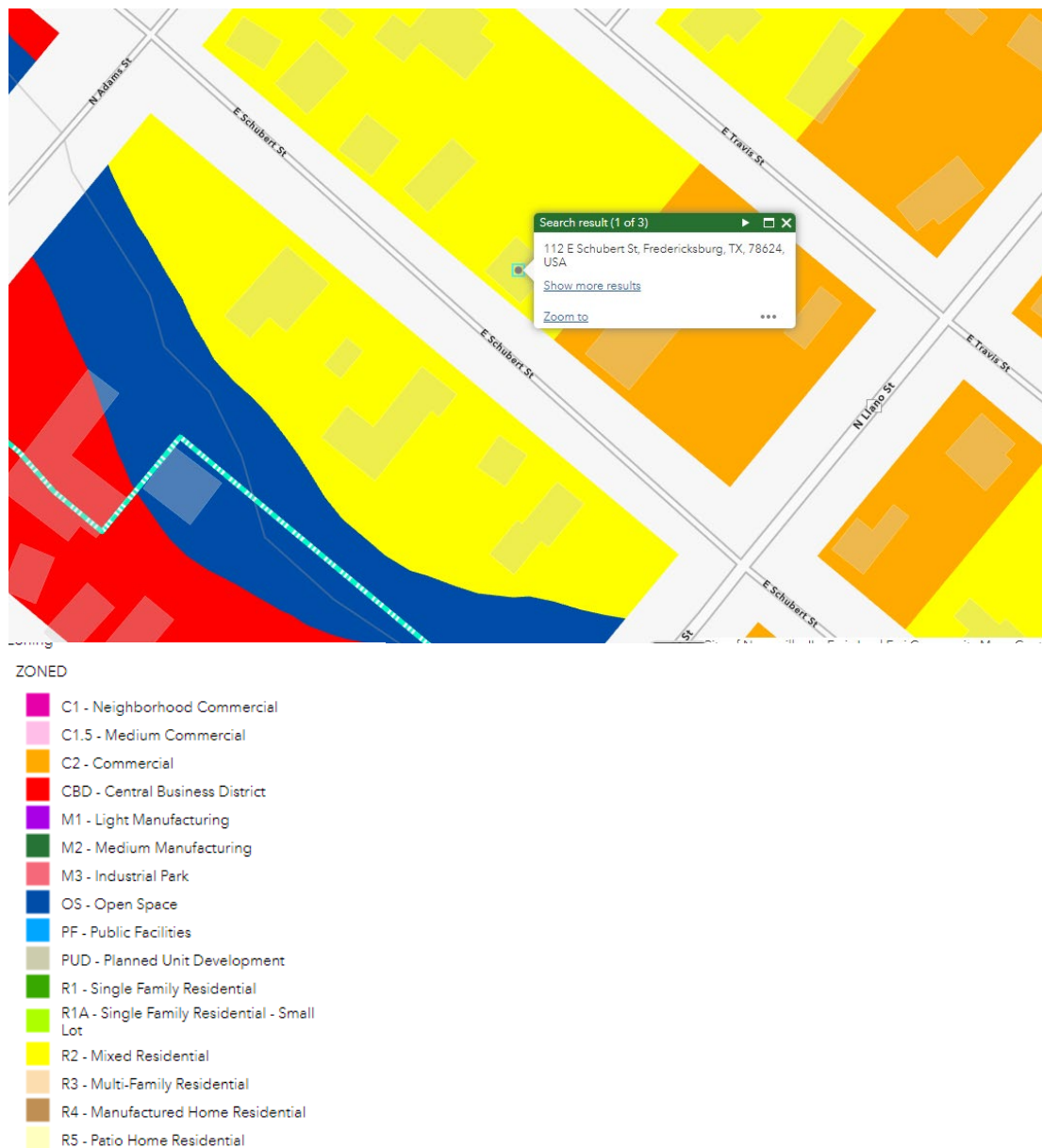
- It is our understanding that many STRs operate in the City with the same or greater capacity than we are requesting, despite operating with smaller structures and on smaller lot sizes. In addition, due to our property's close proximity to Main Street and being next door to two busy commercial properties—Buc O'Brian's Bar and the Mini Mart gas station—the potential for hosting up to 6 additional guests on the property would have, at best, a minimal impact on existing traffic in the area.
- In sum, we request permission to have the flexibility under the existing STR ordinance to lease our property for residential purposes to up to 12 adult guests across both structures, with no more than 8 adult guests in the two-story home.

**Section 5.460. The Planning and Zoning Commission and City Council shall review and evaluate Conditional Use Permit applications using the following criteria:**

The below responses address the factors set forth in Section 5.460 for the application review.

***Conformance with applicable regulations and standards established by the Zoning Regulations.***

- Yes, the requested revision to the existing short-term rental permit is consistent with the zoning regulations. The property location meets all zoning requirements for consideration of an STR, including an STR Facility and/or STR-Unoccupied.
- The property is zoned R-2, so providing for increased residential capacity is consistent with the intended zoning. Also, the property is located within the Fredericksburg Historic District Overlay and adjacent to other R-2 properties to the north, west, and south, and adjacent to commercial (C-2) zoning lots to the east as shown in the city zoning map excerpt below:



***Compatibility with existing or permitted uses on abutting sites, in terms of building height, bulk and scale, setbacks and open spaces, landscaping and site development, access and circulation features.***

- Yes, at this time there is no requested deviation or changes in terms of building height, bulk and scale, setbacks and open spaces, landscaping and site development, access and circulation features.
- Located within two blocks of Main Street and the Marktplatz, the surrounding neighborhood is filled with commercial and many other short-term rental properties, making the proposed use highly compatible with existing and permitted uses on the neighboring properties.

- The main house is already operating as a permitted STR-Unoccupied, and there have been no complaints associated with that use.
- As noted above, the property is next door to two highly-trafficked commercial properties—Buc O’Brian’s Bar and Mini Mart—that operate many hours of the day and night, so adding up to 6 additional adults on the nearly one-half acre property would have minimal impact on the surrounding neighborhood.
- There are many STRs operating in the immediate vicinity of this property, including 112 E. Travis, 104 E. Schubert, 102 E. Schubert, 303 Adams St. A property across the street, 111 E. Schubert has an STR permit application pending at the time this application is submitted.
- The lots located at 105 and 107 E. Schubert consist of a second home property. The home at 109 E. Schubert is not listed as a homestead property in the CAD’s records. The property at 108 E. Schubert—the next door home that requested a privacy screen in connection with the previous STR permit application—is designated as a homestead property.

***Potentially unfavorable affects or impacts on other existing or permitted uses on abutting sites, to the extent such impacts exceed those which reasonably may result from use of the site for a permitted use.***

- The applicants are not aware of any.

***Modifications (including variance from property development regulations) to the site plan which would result in increased compatibility, would mitigate potentially unfavorable impacts, would be necessary to conform to applicable regulations and standards and would protect the public health, safety, morals and general welfare.***

- None. We are not requesting any modifications at this time, and the applicants are not aware of any needed modifications to the proposed site plan. The concern of a privacy fence raised in connection with the previously-approved permit application has already been addressed.

***Safety and convenience of vehicular and pedestrian circulation in the vicinity, including traffic reasonably expected to be generated by the proposed use and other uses reasonable and anticipated in the area; existing zoning and land uses in the area.***

- The owners do not anticipate any significant change to pedestrian and vehicular traffic from this request.
- The site plan affords for ample parking of up to 18 vehicles.
  - Pursuant to Table 7.863, for an STR-Unoccupied with up to 5 rooms, there should be at least 5 parking spaces, which can include on-street parking at a space of 1 vehicle per every 22 feet of lot frontage. For an STR-Facility, the parking table requires parking for up to 7 spaces, which is 60% of a 12-person capacity, including off-street parking of 1 vehicle per every 22 feet of lot frontage.

- The private, gated driveway at the property has capacity to hold up to 8 standard vehicles (including some tandem parking). In addition, with 200 feet of street frontage on Schubert and Travis, the property is authorized to have up to 8 cars parking on the street as well.

***Protection of persons and property from erosion, flood or water damage, fire, noise, glare and similar hazards and impacts.***

- There are no negative impacts anticipated by the proposed permit changes.

***Location, lighting, and type of signs; the relation of signs to traffic control and adverse effect of signs on adjacent properties.***

- There are no changes being requested to the existing lighting, signage. All lighting is compliant with the existing night sky ordinance.

***Adequacy and convenience of off-street parking and loading facilities.***

- The site has more than enough approved parking spaces with current capacity of up to 16 vehicles. The private driveway and carport has dedicated parking for four vehicles and capacity to park up to 8 vehicles (with tandem parking). The parking in the private driveway and carport is situated in the back of the property with minimal visibility from Schubert and Travis streets.

***Determination that the proposed use is in accordance with the objectives of these Zoning Regulations and the purposes of the zone in which the site is located.***

- The proposed use for a STR Dwelling Unit and/or STR Facility is consistent with the zoning laws and STR ordinances. The property is zoned R-2 and as it is immediately abutting a non-residential zoning district (C-2 zoned properties), this site is a location specifically contemplated as a lot suitable for an STR-Facility permit pursuant to Section 3.110. The historic home has already been approved as an STR-Unoccupied, and the owners are unaware of any reason the non-historic carriage house/carport would require unique considerations.

***Determination that the proposed use will comply with each of the applicable provisions of these Zoning Regulations.***

- Yes. The applicants are not aware of any reasons why the proposed use would fail to comply with the applicable zoning regulations and the applicants are not seeking any exceptions to zoning regulations at this time.

***Determination that the proposed use and site development, together with any modifications applicable thereto, will be compatible with existing or permitted uses in the vicinity.***

- Yes. The property was previously approved for a STR-Unoccupied permit in August 2022, and the property has been operating as an STR-Unoccupied since December



2022. The property is directly adjacent to Buc's Bar and Grill and the Mini Mart gas station—both highly-trafficked properties. In addition, due to the close proximity to Main Street, the Marktplatz, and commercial properties, the streets near our home regularly have pedestrian traffic and overflow parking utilized by various City visitors, any additional traffic at the property would be insignificant compared to those existing traffic patterns.

- In addition, there are numerous short-term rentals / bed-and-breakfasts operating in the immediately surrounding area.
- The residential nature of the STR is consistent with the existing use of the property and other R-2 zoned homes within the immediate vicinity of the property.
- In connection with the initial STR application for this property, there was some concerns noted about a privacy screen in the back yard with the adjacent R-2 zoned lot to the West of the property. Those concerns were addressed in November 2022 with the completion of the privacy fence along the property line.

***Determination that any conditions applicable to approval are the minimum necessary to minimize potentially unfavorable impacts on nearby uses and to ensure compatibility of the proposed use with existing or permitted uses in the same district and the surrounding area.***

- Yes. The requested revisions to the property would remain consistent with the existing zoning requirements and capacity requirements.
- Due to the direct proximity to a bar and gas station, any potential additional noise or traffic from guests would have no noticeable impact on the existing patterns in the neighborhood.
- The request for a modest increase in capacity for the main home and the carriage house are consistent with current zoning requirements.
- With more than 3,200 square feet of living space between the main home and carriage house, situated on nearly one-half acre, the potential maximum capacity is easily absorbed by the property space. It is our understanding that many other existing STRs that operate with capacity for up to 12 adults are doing so on much smaller lots or within smaller structures.

***Determination that the proposed use, together with the conditions applicable thereto, will not be detrimental to the public health, safety, or welfare or materially injurious to properties or improvements in the vicinity.***

- The proposed residential use is consistent with the existing use and zoning.
- The applicants are not aware of any negative conditions associated with the proposed permit changes, and the applicants anticipate the proposed changes would add benefits to the neighborhood and community through additional tourism, additional housing capacity, and additional jobs for the local service industry.
- The proposed permitting related to the owner's right to lease this residential property is consistent with the lawful use of private property. Private property rights,

including the right to lease one's property, are fundamental rights that have long been recognized under Texas law. As the Texas Supreme Court stated more 100 years ago:

“To secure their property was one of the great ends for which men entered into society. The right to acquire and own property, and to deal with it and use it as the owner chooses, so long as the use harms nobody, is a natural right. It does not owe its origin to constitutions. It existed before them. It is a part of the citizen's natural liberty—an expression of his freedom, guaranteed as inviolate by every American Bill of Rights.

It is not a right, therefore, over which the police power is paramount. Like every other fundamental liberty, it is a right to which the police power is subordinate.

It is a right which takes into account the equal rights of others, for it is qualified by the obligation that the use of the property shall not be to the prejudice of others. But if subject alone to that qualification the citizen is not free to use his lands and his goods as he chooses, it is difficult to perceive wherein his right of property has any existence.”

*Spann v. City of Dallas*, 235 S.W. 513, 515 (Tex. 1921); *see also, e.g., Lombardo v. City of Dallas*, 124 Tex. 1, 10, 73 S.W.2d 475, 479 (1934) (“[T]he police power is subordinate to the right to acquire and own property, and to deal with it and use it as the owner chooses, so long as the use harms nobody. It may be invoked to abridge the right of the citizen to use his private property when such use will endanger public health, safety, comfort or welfare,-and only when this situation arises. Regulations interfering with private property rights are invalid if founded upon purely aesthetic consideration. Again, property rights can not be made subservient to the arbitrary will of a municipality or its officers or agents, nor can the right of a person to use his property in a lawful manner be made to depend upon the unrestrained predilection of other property owners, whose property rights are not unlawfully invaded.” (internal citations and quotation marks omitted)).

- Consistent with this well-established precedent, leasing the existing structures for residential use is not only consistent with the existing use, compliant with all applicable zoning and local ordinances, but also rooted in fundamental property rights that have long been recognized and protected in the great State of Texas.



# Z-2304

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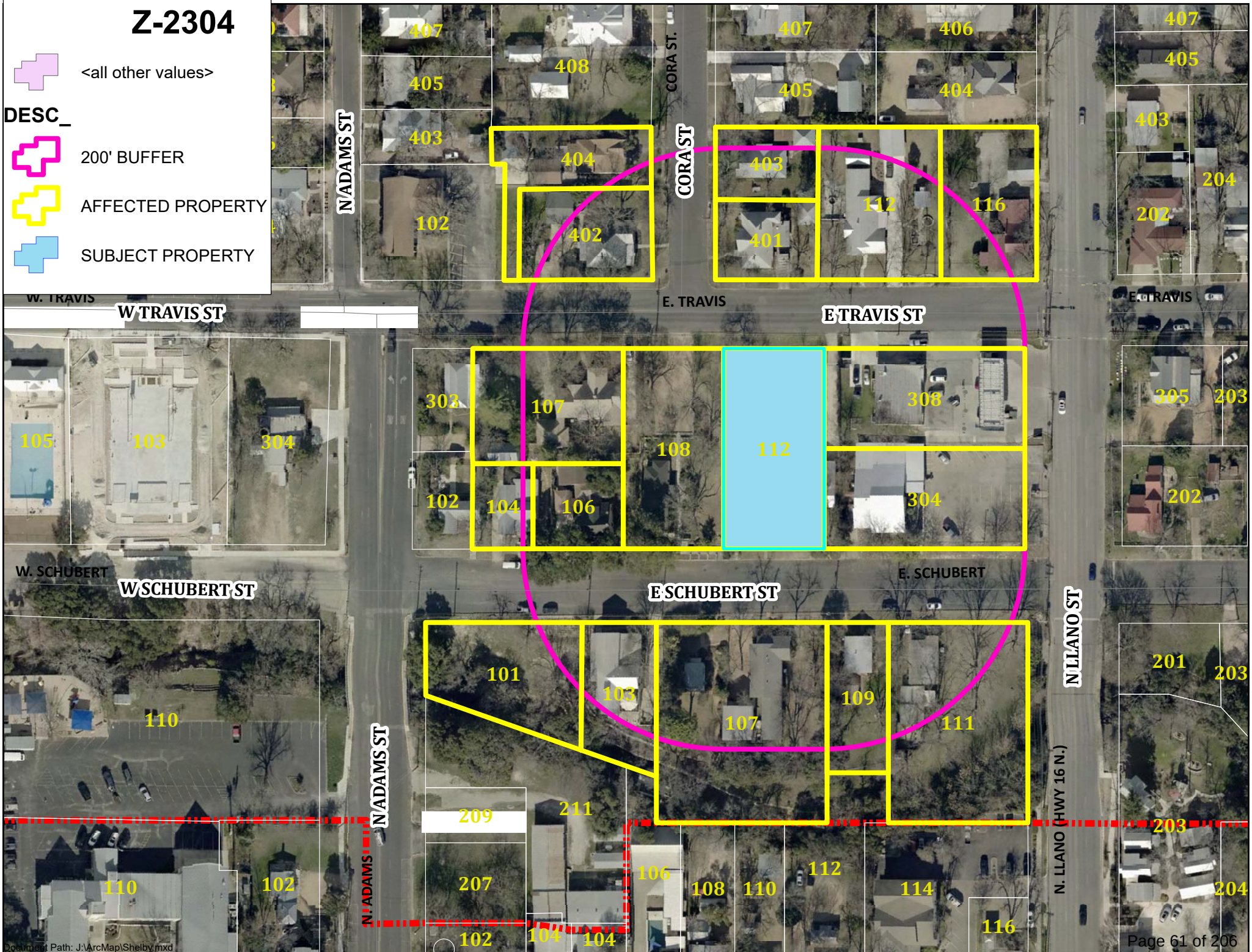
**DESC\_**

 200' BUFFER

 AFFECTED PROPERTY

 SUBJECT PROPERTY

SUBJECT PROPERTY





February 17, 2023

Via Email [scollier@fbgtx.com](mailto:scollier@fbgtx.com)  
Shelby Collier  
Development Review Committee  
City of Fredericksburg  
126 W. Main St.  
Fredericksburg, Texas 78624

Re: Z-2304 Response to February 13, 2023 Correspondence

Dear Ms. Collier:

Thank you for the response comments to our application to amend the Conditional Use Permit ("CUP") for our residential property located at 112 E. Schubert Street, Fredericksburg, Texas 78624. I write to address the comments referenced in the February 13, 2023 letter from your office. For ease of reference, I have restated in the requests from that letter where a response comment appears to be needed, followed by our responses.

- **Provide photos of all elevations, North, South, East and West.**
  - I have enclosed photos of the property from different vantage points. I am not sure what additional elevation information is needed for this application. We do not plan to make any changes in elevations as part of the CUP Application.
- **Please provide a CUP Narrative with specific responses to each of the review and evaluation criteria noted in Sec. 5.460. This will be used by the Planning and Zoning Commission and City Council to make their determination.**
  - A narrative response and specific response to the criteria is included supplemental materials portion of the application we submitted on January 30, 2023. Please see pages 7-14 of that PDF document. Please let us know if more information is required for any of those items.
- **Update the Parking requirements to depict STR-Facility per Sec. 7.863**
  - The parking specifics are accounted for in the previously-submitted site plan and supplemental materials. For an STR-Facility with up to 12-person capacity, Table 7.863 requires parking for up to 7 vehicles, including up to 1 vehicle per 22 feet of lot frontage. The existing driveway and carport provide ample room to park 8 standard vehicles (including some tandem parking), and the 200 feet of lot frontage along Schubert and Travis Streets also allows for up to 8 more vehicles. With existing capacity for up to 16 vehicles, it is our understanding that the proposed site plan provides more than sufficient parking.



- Provide a note regarding all exterior lighting shall by night sky compliant.
  - All existing exterior lighting is night-sky complaint, and it will remain compliant.
- Sec. 7.920 states one (1) tree shall be provided for each seventy-five (75) lineal feet of landscape barrier. In addition, one (1) tree per one hundred (100) square feet of interior landscaping is required plus ten (10) square feet of interior landscaping for each parking space provided.
  - The property currently has ample vegetation pursuant to Section 7.920, with more than 20 trees and more than 500 square feet of interior landscaping as depicted on the site plan. Also, unless we have overlooked a provision, it appears that section 7.920 does not apply to residential properties. See Sec. 7.920 ("Landscaping requirements for certain yard areas and off-street parking, and other vehicular use areas (*other than single-family, duplex, triplex, and fourplex residential uses*)...") (emphasis added). As for privacy fencing, and to the extent required by the Historic Review Board pursuant to section 7.940, the property has a 6-foot tall privacy fence consisting of wood pickets and dry stack rock wall along the only lot line adjacent to an R-2 property (108 E. Schubert St.).
- Provide location of dumpster and/or trash enclosure.
  - The garbage container is located between the fence and the carport on the eastern side of the property—between our lot and the neighboring commercial lots. The lot currently has one, 96-gallon container. If the CUP is approved, we will add another 96-gallon container pursuant to 5.401(8).
- Provide an addressing plan for the units. Staff Recommends 112 East Schubert Unit 100 (main) and Unit 200 (cottage).
  - We would prefer the main home address be 112 East Schubert, Unit A, and the cottage/carriage house address be 112 East Schubert, Unit B. If the staff recommendation is more consistent with other residences in the City, then we do not have any objection to using those recommendations.

Please let us know if you need any additional information prior to the March 8 meeting. Thank you for your assistance with this application.

Sincerely,



John W. Ellis

Enclosures

Copy: Bethany Ellis (via email)

Views of elevation and fencing facing the front of the property





Views of the elevation and privacy fencing facing west (108 E. Schubert St.)









Views facing Travis Street.

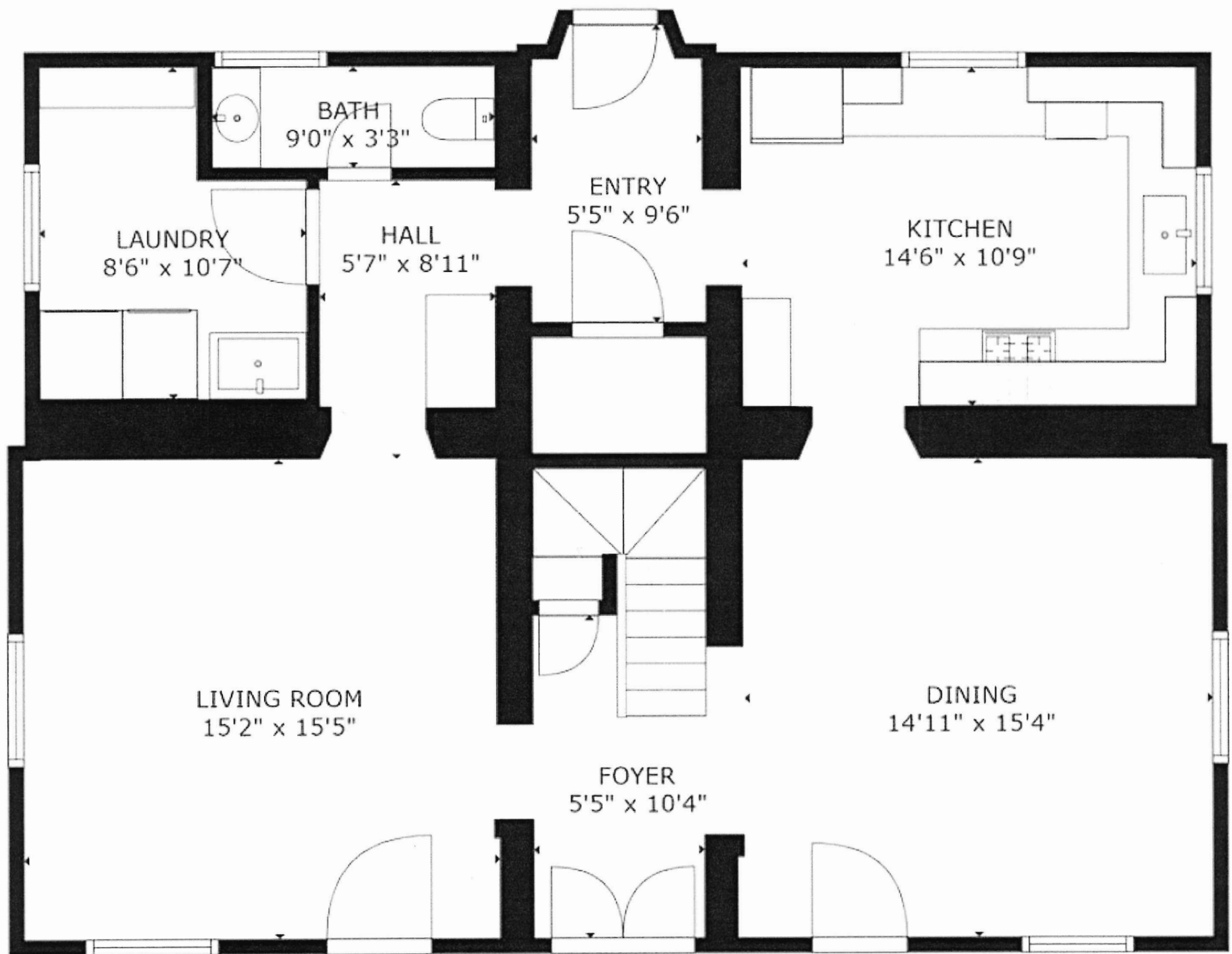




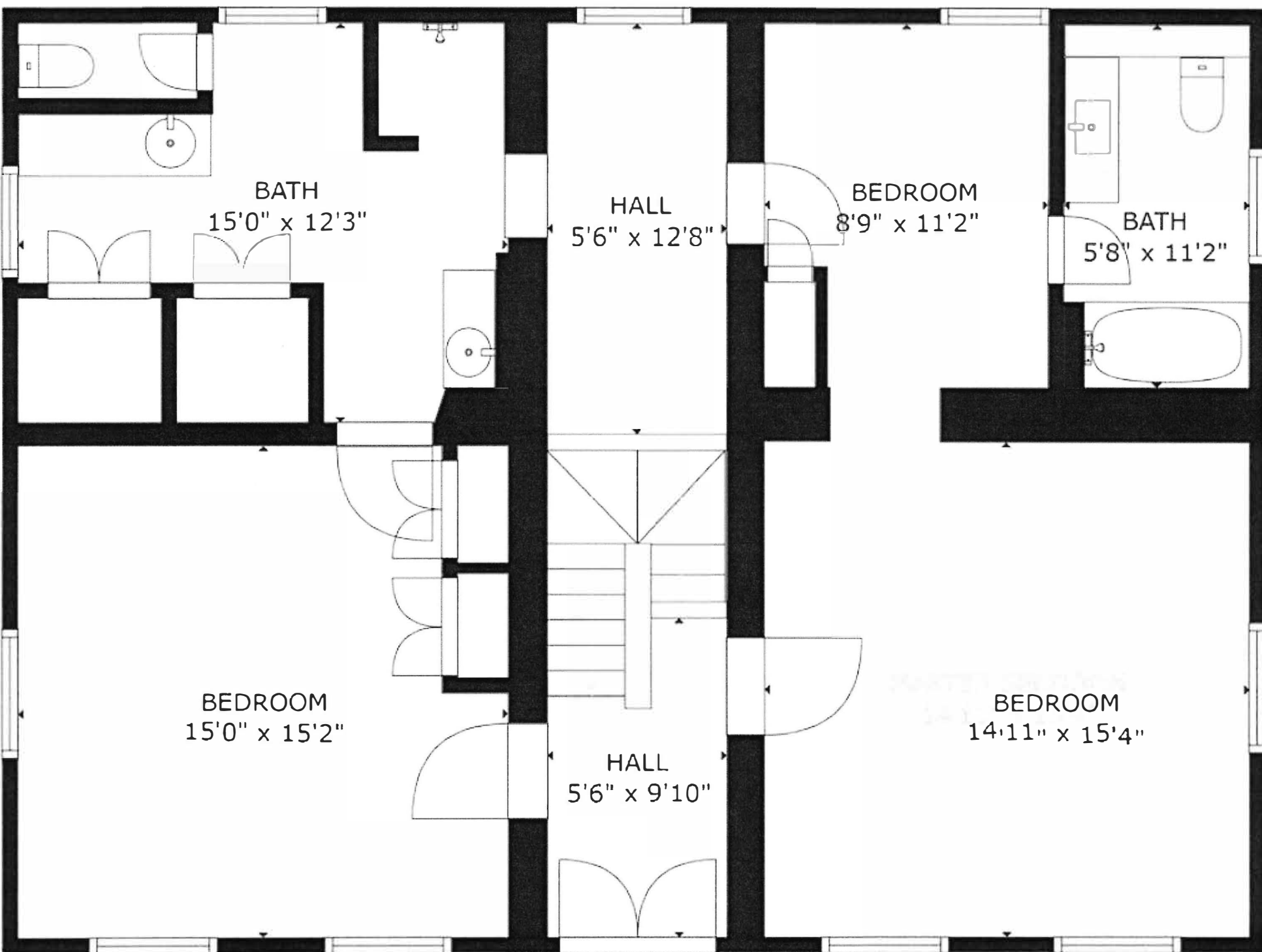
Views of fencing and elevation facing east (commercial lots):







**112 East Schubert St. - First Floor**



**112 East Schubert St. - Second Floor**



CAROL FELLER  
402 W HACKBERRY  
FREDERICKSBURG, TX 78624

VAUGHN USENER  
818 N MILAM ST  
FREDERICKSBURG, TX 78624

ROGER ZENNER  
816 N MILAM  
FREDERICKSBURG, TX 78624

IVI ACRES LLC  
812 N MILAM  
FREDERICKSBURG, TX 78624

LESTER & ROXANNE FRANTZEN  
810 N MILAM  
FREDERICKSBURG, TX 78624

ISCA PROPERTIES LLC  
337 W HACKBERRY  
FREDERICKSBURG, TX 78624

KURT DITGES  
335 W HACKBERRY  
FREDERICKSBURG, TX 78624

ANGEL & ELOISA RIVAS  
333 W HACKBERRY  
FREDERICKSBURG, TX 78624

REBECCA SHUMAN  
331 W HACKBERRY  
FREDERICKSBURG, TX 78624

TERESA DE JESUS CONTRERAS  
328 W HACKBERRY  
FREDERICKSBURG, TX 78624

KEENAN FRANZ  
330 W HACKBERRY  
FREDERICKSBURG, TX 78624

JAMES & WILLIAM OTTE  
332 W HACKBERRY  
FREDERICKSBURG, TX 78624

BRADLEY GARRETT BERTRAND  
901 N MILAM  
FREDERICKSBURG, TX 78624

TREVOR DUPUIS & LAURA SAGREDO  
905 N MILAM  
FREDERICKSBURG, TX 78624

JUSTIN ARDOYNO  
335 W BURBANK  
FREDERICKSBURG, TX 78624

HEATHER & RICAHRD DELANEY  
333 W BURBANK  
FREDERICKSBURG, TX 78624

ROBERT STRANGE  
331 W BURBANK  
FREDERICKSBURG, TX 78624

MICHAEL & SANDRA WUEST  
329 W BURBANK  
FREDERICKSBURG, TX 78624

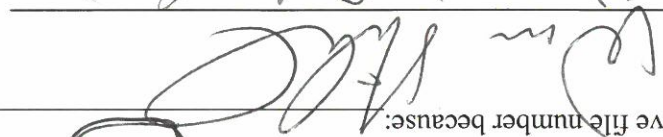
MARGE MELTON  
327 W BURBANK  
FREDERICKSBURG, TX 78624

Z-2235

(detach and return this section to City of Fredericksburg, Att: DSD)

REQUEST NO. Z-2304

As an interested property owner, I (Protest)(Approve) the requested zoning amendment represented by the  
above file number because:



Signed Warren Richardson

Printed Name

Address

Date 2/28/2023  
403 Cora St.

Approved for no more than 2 B+B's on  
the lot.  
W5R

**From:** [Janet Smith](#)  
**To:** [Shelby Collier](#)  
**Cc:** [Janet Smith](#)  
**Subject:** STR for 112 E. Schubert Street - comments and feedback  
**Date:** Monday, March 6, 2023 11:21:46 PM

---

Shelby, thank you for the call back a couple of days ago. I really appreciated it. As I understand, the owners of 112 E. Schubert would like to expand the permit for the primary house to 6 / 8 guests and will be making a separate application to use the carriage house for an additional 6 guests for a potential total of 10 to 12 guests. Yes, we are in R2 and the 112 E Schubert sits next door to a commercial business, BUC's bar and dining, which can at times, have large attendance.

One twelve E. Schubert has been operating for a few months now as an active STR without incident. I believe today it is approved for 4 to 6 guests? All guests so far have seemed respectful of his property and the street as neighbors. An STR of smaller capacity reaches the guest that comes for purpose and not just en masse party central.

This historic block of E. Schubert enjoys three stone houses built by Carl Jung, each preserved well and one about to be remodeled. To add, the six houses that have been remodeled and/or refreshed that are more cottage style has continued the investment and further creation of a historic neighborhood block. Expanding 112 E. Schubert to a large capacity STR to handle 10 – 12 guests/ anywhere from 12 or fewer vehicles on the street and on property parking will create more noise, attract the larger groups of party pals, trash, and potential for parking issues. My fear is the likelihood of our historic street retaining and expanding it's residential footprint shrinks if a capacity party house is approved.

Thank you for listening. Appreciate any guidance you or the panel can provide.

Best Regards, Janet and Peter Smith 108 E. Schubert street

Sent from [Mail](#) for Windows



(detach and return this section to City of Fredericksburg, Att: DSD)

**REQUEST NO. Z-2304**

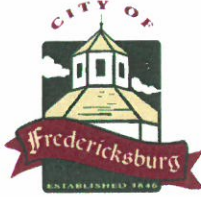
As an interested property owner, I (Protest)(Approve) the requested zoning amendment represented by the above file number because: no 624 nuisance.

Signed

Printed Name

Date

Address



**NOTICE OF PLANNING & ZONING PUBLIC HEARING:**  
**A CONDITIONAL USE PERMIT**

According to Tax Records, you are the owner of real property within 200' of the proposed changes, listed below. You are not required to attend the meeting, but if you care to attend, you will be given full opportunity to be heard. If you cannot attend the hearing, but wish to comment on the request, please detach the response card below and return it to the City of Fredericksburg, 126 W. Main St., Fredericksburg, TX 78624. All protests must be submitted in writing.

**1<sup>st</sup> HEARING**

**DATE: March 8, 2023**

**TIME: 5:30 PM**

**REQUEST**

**NUMBER: Z-2304**

The City of Fredericksburg **Planning and Zoning Commission** will meet in a regular session on March 8, 2023, at 5:30 PM. The meeting will be held at the Law Enforcement Center, 1601 East Main Street, Fredericksburg, TX 78624.

The decision of the **PLANNING & ZONING COMMISSION** is a recommendation only. Final approval must be by action of the **CITY COUNCIL**.

**2<sup>nd</sup> HEARING**

**DATE: March 21, 2023**

**TIME: 9:00 AM**

**REQUEST**

**NUMBER: Z-2304**

The City of Fredericksburg **City Council** will meet in a regular session on March 21, 2023, at 9:00 AM. The meeting will be held at the Law Enforcement Center, 1601 East Main Street, Fredericksburg, TX 78624.

**REQUEST:** #Z-2304: BY JOHN ELLIS TO CONSIDER A CONDITIONAL USE PERMIT PER SECTION 3.110 TO OPERATE A STR-FACILITY IN A R2 ZONED AREA ABUTTING A NON-RESIDENTIAL ZONING DISTRICT FOR PROPERTY LOCATED AT 112 EAST SCHUBERT.

**APPLICANT: JOHN ELLIS**

**LOCATION: 112 EAST SCHUBERT**

(detach and return this section to City of Fredericksburg, Att: DSD)

**REQUEST NO. Z-2304**

As an interested property owner, I (Protest) (Approve) the requested zoning amendment represented by the above file number because: This is owner Greed in place of

our neighbor need.

Signed Hugh G. Reales

Printed Name

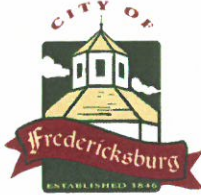
03 March 2023

Date

103 E. Schubert St

Address

78624



**NOTICE OF PLANNING & ZONING PUBLIC HEARING:**  
**A CONDITIONAL USE PERMIT**

According to Tax Records, you are the owner of real property within 200' of the proposed changes, listed below. You are not required to attend the meeting, but if you care to attend, you will be given full opportunity to be heard. If you cannot attend the hearing, but wish to comment on the request, please detach the response card below and return it to the City of Fredericksburg, 126 W. Main St., Fredericksburg, TX 78624. All protests must be submitted in writing.

**1<sup>st</sup> HEARING**

**DATE: April 5, 2023**

**TIME: 5:30 PM**

**REQUEST**

**NUMBER: Z-2304**

The City of Fredericksburg **Planning and Zoning Commission** will meet in a regular session on April 5, 2023, at 5:30 PM. The meeting will be held at the Law Enforcement Center, 1601 East Main Street, Fredericksburg, TX 78624.

The decision of the **PLANNING & ZONING COMMISSION** is a recommendation only.  
Final approval must be by action of the **CITY COUNCIL**.

**2<sup>nd</sup> HEARING**

**DATE: April 18, 2023**

**TIME: 9:00 AM**

**REQUEST**

**NUMBER: Z-2304**

The City of Fredericksburg **City Council** will meet in a regular session on April 18, 2023, at 9:00 AM. The meeting will be held at the Law Enforcement Center, 1601 East Main Street, Fredericksburg, TX 78624.

**REQUEST:** #Z-2304: BY JOHN ELLIS TO CONSIDER A CONDITIONAL USE PERMIT PER SECTION 3.110 TO OPERATE A STR-FACILITY IN A R2 ZONED AREA ABUTTING A NON-RESIDENTIAL ZONING DISTRICT FOR PROPERTY LOCATED AT 112 EAST SCHUBERT.

**APPLICANT:** JOHN ELLIS

**LOCATION:** 112 EAST SCHUBERT

(detach and return this section to City of Fredericksburg, Att: DSD)

**REQUEST NO. Z-2304**

As an interested property owner, I (Protest) (Approve) the requested zoning amendment represented by the above file number because: \_\_\_\_\_

James Reichenau  
Signed  
JAMES REICHENAU  
Printed Name

3-30-23  
Date  
109-1112 SCHUBERT  
Address



## **CITY COUNCIL AGENDA MEMO**

---

**DEPARTMENT:** Development Services  
**TO:** Mayor & City Council Members  
**FROM:** Anna Hudson, Interim Director of  
Development Services  
**MEETING DATE:** April 18, 2023

**CATEGORY:** ORDINANCES, RESOLUTIONS  
AND PUBLIC HEARINGS

---

**CAPTION:** Conditional Use Permit (CUP) per Section 3.110 to operate an STR-Unoccupied in an R2 Zoned Area located in the Historic District on property located at 501 East Creek St (Z-2307) (Anna Hudson, Interim Director of Development Services)

- i. Presentation
  - ii. Hold a public hearing to hear comments for or against the request for a Conditional Use Permit
  - iii. Take action on the request for CUP
- 

### **PRESENTATION:**

#### **SUMMARY:**

Request #Z-2307 – By Kathryn Langer to Consider a Conditional Use Permit per Sec. 3.110 to Operate as a STR-Unoccupied in a R2 Zoned Area Located in the Historic Overlay District on Property Located at 501 East Creek Street.

#### **BACKGROUND:**

The Applicant is requesting a Conditional Use Permit per [Sec. 3.110](#) of the Zoning Ordinance to operate as a STR-Unoccupied in an R2-zoned area located in the Historic Overlay District at 501 East Creek Street. The subject tract is located on the corner of South Elk Street and East Creek Street and is bordered by R2 zoning to North, South, East and West. The majority of the surrounding R2 zoned properties are currently utilized as STR's.

This property previously had a STR-Nonconforming permit that expired on August 31, 2022. Due to Zoning changes that went into effect on April 1, 2022, the applicant now must request a Conditional Use Permit to operate as a STR-Unoccupied per [Sec. 3.110](#) of the Zoning Ordinance. The applicant is compliant with HOT remittance and has received no violations.

The applicant requests approval for a 3-bedroom short-term rental unit that provides 3 parking spaces onsite (one in the garage) and two on the street, which meets the required parking calculations which are calculated at 1 per bedroom. [Sec. 7.860 Table 7.863](#)

[Sec. 5.460 – Review and Evaluation Criteria](#) contains 13 items that must be considered when reviewing a Conditional Use Permit. Of these 13 items, Staff has found that the applicant has met or responded to all the requirements including adequacy and convenience of off-street parking,



determination that the proposed use will not be detrimental to public safety or materially injurious to properties in the vicinity, and determination that the proposed use and site development will be compatible with existing uses in the vicinity.

Public notification, including letters to property owners within 200 feet, resulted in two letters of support.

**FUNDING SOURCE:**

**FINANCIAL IMPACT:**

**STAFF RECOMMENDATION:**

At the Planning & Zoning Meeting on April 5, 2023, the P&Z unanimously recommended approval. As presented, the proposed STR-Unoccupied use meets the requirements of a conditional use permit. As the subject tract is surrounded by STR uses and was previously compliant with HOT and received no complaints, staff recommends approval conditioned upon the review/inspection and approval of a STR Permit Application and payment of applicable fees.

---

**COMMUNITY VISIONING/STRATEGIC INITIATIVES:**

---

**ATTACHMENTS:**

1. Z-2307 Project Application
2. 501 E Creek Street addendum
3. Sec. 5.460. Review and Evaluation Criteria.
4. Z-2307 Revised Site Plan
5. Z-2307 Photos of Elevations
6. Z-2307 Floor Plan
7. Z-2307 Public Hearing Map
8. Land Use Map
9. Z-2307 Mailing Labels

**APPROVAL/REVIEW:**



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Garret Bonn, Assistant City Manager

Date: April 11, 2023

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William McKamie, City Attorney

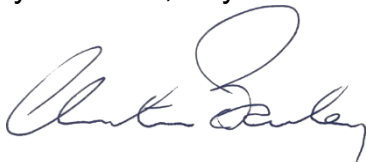
Date: April 11, 2023



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Shelley Goodwin, City Secretary

Date: April 11, 2023



Date: April 12, 2023





# Project Application

City of Fredericksburg - Development Services Department  
126 W. Main St., Fredericksburg, TX 78624 - (830)997-7521

## A. Project Information (Please complete all items.)

Project Name: Cotton Haus  
Project Address: 501 E. Creek Street  
Tax ID Number (s): 555-84-4046

## Application Type (Check all items that apply.)

- |                                                            |                                            |                                           |
|------------------------------------------------------------|--------------------------------------------|-------------------------------------------|
| <input checked="" type="checkbox"/> Conditional Use Permit | <input type="checkbox"/> Minor Plat*       | <input type="checkbox"/> Plat Vacation    |
| <input type="checkbox"/> Site Plan                         | <input type="checkbox"/> Replat*           | <input type="checkbox"/> Annexation*      |
| <input type="checkbox"/> Entry Corridor Design             | <input type="checkbox"/> Amending Plat*    | <input type="checkbox"/> Development Plat |
| <input type="checkbox"/> Land Use Plan Change              | <input type="checkbox"/> Preliminary Plat* |                                           |
| <input type="checkbox"/> Zoning Change                     | <input type="checkbox"/> Final Plat*       |                                           |

Revision of Approved Plan / Plat? ☐ Yes ☒ No Name: \_\_\_\_\_

Jurisdiction: ☒ City Limits ☐ ETJ Total Acres: \_\_\_\_\_ No. of Lots: 1

Original Survey & Abstract No: \_\_\_\_\_

Legal Description: \_\_\_\_\_

Current Land Use Plan: \_\_\_\_\_

Proposed Land Use Plan: \_\_\_\_\_

Current Zoning: R2

Proposed Zoning: \_\_\_\_\_

Location: \_\_\_\_\_

Proposed Use(s): STR

## Applicant's Signature

Applicant's Role: ☒ Owner ☐ Developer ☐ Other (note role): \_\_\_\_\_

I hereby certify that the information supplied with this application is true and correct, and that the paper and electronic copies of the materials submitted are consistent with each other, to the best of my knowledge. I also certify I have authorization from the owner to act on his / her behalf.

Signature: Kathryn Langer

Printed Name: Kathryn Langer

Date: 2/21/23

## Staff Use Only

Application No.: E-1307

Date: 03/06/23

\*Copy of current Title Search required with application.

CH#10011

\$400.00



# Project Application

City of Fredericksburg - Development Services Department  
126 W. Main St., Fredericksburg, TX 78624 – (830)997-7521

## B. Contact Information (Please complete all items. Attach additional pages as necessary.)

### I. Property Owner(s)

Firm Name (if applicable):

Owner Name: Kathryn Langer

Address: 8116 Joy Road Volente, TX 78641

Phone: (760) 638-4444 Fax:

Email: Kati Elle 4@gmail.com

### II. Owner's Agent/Engineer/Surveyor (Main contact person responsible for application)

Role: ☐ Agent ☐ Engineer ☐ Surveyor ☐ Other (note role):

Firm Name (if applicable):

Address:

Primary Contact Name: Kathryn Langer

Phone: (760) 638-4444 Fax:

Email: Kati Elle 4@gmail.com

Secondary Contact Name:

Phone:

Fax:

Email:

### III. Applicant

Firm Name (if applicable): Kathryn Langer

Applicant Name (s):

Address: 8116 Joy Road Volente, TX 78641

Phone: (760) 638-4444 Fax:

Email: Kati Elle 4@gmail.com

### IV. Applicant's Agent/Engineer/Surveyor (Main contact person responsible for application)

Role: ☐ Agent ☐ Engineer ☐ Surveyor ☐ Other (note role):

Firm Name (if applicable):

Address:

Primary Contact Name: Kathryn Langer

Phone: (760) 638-4444 Fax:

Email: Kati Elle 4@gmail.com



2/21/23

Hello,

I have owned my home in Fredericksburg for 5 years and really enjoy being a part of the STR community. I've been a good neighbor with no infractions and have paid HOT in a timely manner.

Unfortunately, I did not renew my STR permit on time. (I didn't realize that it was due, but paid immediately as soon as it was brought to my attention.)

I hope to be able to obtain another permit so that I can continue running my STR in a professional manner and share the magic of Fredericksburg with my guests.

Kathryn Lange

March 22, 2023 Kathy Langer

[Katielle4@gmail.com](mailto:Katielle4@gmail.com)

**RE: Z-2307 – Review Comments for a Conditional Use Permit (CUP) for property located at 501 East Creek Street.**

Dear Ms. Langer,

Please review the following comments and address appropriately. Please provide a written response as to how the items are addressed in addition to the revised Site Plan.

Find attached a revised site plan.

**Plans will not be reviewed or considered without a response sheet.**

- The CUP requires Planning and Zoning Approval, scheduled for April 5, 2023.
- Provide photos of all elevations, North, South, East and West.  
Find attached photos of all elevations.
- Please provide a CUP Narrative with specific responses to each of the review and evaluation criteria noted in **Sec.5.460**. This will be used by the Planning and Zoning

Commission and City Council to make their determination.

Responses to each of the review and evaluation criteria are in red:

**Sec. 5.460. - Review and Evaluation Criteria.**

The Planning and Zoning Commission and City Council shall review and evaluate Conditional Use Permit applications using the following criteria:

Conformance with applicable regulations and standards established by the Zoning Regulations. **Yes**

Compatibility with existing or permitted uses on abutting sites, in terms of building height, bulk and scale, setbacks and open spaces, landscaping and site development, access and circulation features. **Yes, consistent with all abutting properties.**

Potentially unfavorable affects or impacts on other existing or permitted uses on abutting sites, to the extent such impacts exceed those which reasonably may result from use of the site for a permitted use. **None**

Modifications (including variance from property development regulations) to the site plan which would result in increased compatibility, would mitigate potentially unfavorable impacts, would be necessary to conform to applicable regulations and standards and would protect the public health, safety, morals and general welfare. **None**

Safety and convenience of vehicular and pedestrian circulation in the vicinity, including traffic reasonably expected to be generated

by the proposed use and other uses reasonable and anticipated in the area; existing zoning and land uses in the area. **Yes**

Protection of persons and property from erosion, flood or water damage, fire, noise, glare and similar hazards and impacts. **Yes**

Location, lighting, and type of signs; the relation of signs to traffic control and adverse effect of signs on adjacent properties. **None present or required.**

Adequacy and convenience of off-street parking and loading facilities. **Yes**

Determination that the proposed use is in accordance with the objectives of these Zoning Regulations and the purposes of the zone in which the site is located. **Yes**

Determination that the proposed use will comply with each of the applicable provisions of these Zoning Regulations. **Yes**

Determination that the proposed use and site development, together with any modifications applicable thereto, will be compatible with existing or permitted uses in the vicinity. **Yes**

Determination that any conditions applicable to approval are the minimum necessary to minimize potentially unfavorable impacts on nearby uses and to ensure compatibility of the proposed use with existing or permitted uses in the same district and the surrounding area. **Yes**

Determination that the proposed use, together with the conditions applicable thereto, will not be detrimental to the public health, safety, or welfare or materially injurious to properties or improvements in the vicinity. **Yes**

- 
- Update the Parking requirements to depict STR-Unoccupied per **Sec. 7.863**  
Parking requirements shown on attached revised site plan. Compliant with STR-Unoccupied per Sec. 7.863.
- Provide a floor plan for the unit.  
Find attached a floor plan.
- Provide clarification that the Garage will not be used as a STR Unit.  
Garage will not be used as a STR unit.
- Provide a note regarding all exterior lighting shall by night sky compliant.  
All exterior lighting will be night sky compliant.
- **Sec. 7.920** states one (1) tree shall be provided for each seventy-five (75) lineal feet of  
landscape barrier. In addition, one (1) tree per one hundred (100) square feet of interior landscaping is required plus ten (10) square feet of interior landscaping for each parking space provided.  
Please see attached revised site plan for schedule of tree compliance per Sec. 7.920
- Provide location of dumpster and/or trash enclosure.  
There is no dumpster or trash enclosure on site. Standard residential bin sits next to garage.

- Screening is required for a STR-Unoccupied per **Sec. 7.940** along the East, South and Western property lines.

Required screening - I have requested a historical district waiver per Sec. 7.940 to keep my property consistent with other properties on my historic district street.

## The City of Fredericksburg

126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861

For information regarding these comments please contact Shelby Collier with Development Services at 830-990-2013 or [scollier@fbgtx.org](mailto:scollier@fbgtx.org)

Please feel free to contact me with any comments or questions, and I will be happy to assist you.

Please return the revised plans along with your written response as to how the comments have been addressed by Wednesday, March 29<sup>th</sup> to ensure consideration by Planning & Zoning Commission on Wednesday, April 5<sup>th</sup>.

Shelby Collier

Development Review Committee (DRC)



---

## **Sec. 5.460. Review and Evaluation Criteria.**

The Planning and Zoning Commission and City Council shall review and evaluate Conditional Use Permit applications using the following criteria:

Conformance with applicable regulations and standards established by the Zoning Regulations.

Compatibility with existing or permitted uses on abutting sites, in terms of building height, bulk and scale, setbacks and open spaces, landscaping and site development, access and circulation features.

Potentially unfavorable affects or impacts on other existing or permitted uses on abutting sites, to the extent such impacts exceed those which reasonably may result from use of the site for a permitted use.

Modifications (including variance from property development regulations) to the site plan which would result in increased compatibility, would mitigate potentially unfavorable impacts, would be necessary to conform to applicable regulations and standards and would protect the public health, safety, morals and general welfare.

Safety and convenience of vehicular and pedestrian circulation in the vicinity, including traffic reasonably expected to be generated by the proposed use and other uses reasonable and anticipated in the area; existing zoning and land uses in the area.

Protection of persons and property from erosion, flood or water damage, fire, noise, glare and similar hazards and impacts.

Location, lighting, and type of signs; the relation of signs to traffic control and adverse effect of signs on adjacent properties.

Adequacy and convenience of off-street parking and loading facilities.

Determination that the proposed use is in accordance with the objectives of these Zoning Regulations and the purposes of the zone in which the site is located.

Determination that the proposed use will comply with each of the applicable provisions of these Zoning Regulations.

Determination that the proposed use and site development, together with any modifications applicable thereto, will be compatible with existing or permitted uses in the vicinity.

Determination that any conditions applicable to approval are the minimum necessary to minimize potentially unfavorable impacts on nearby uses and to ensure compatibility of the proposed use with existing or permitted uses in the same district and the surrounding area.

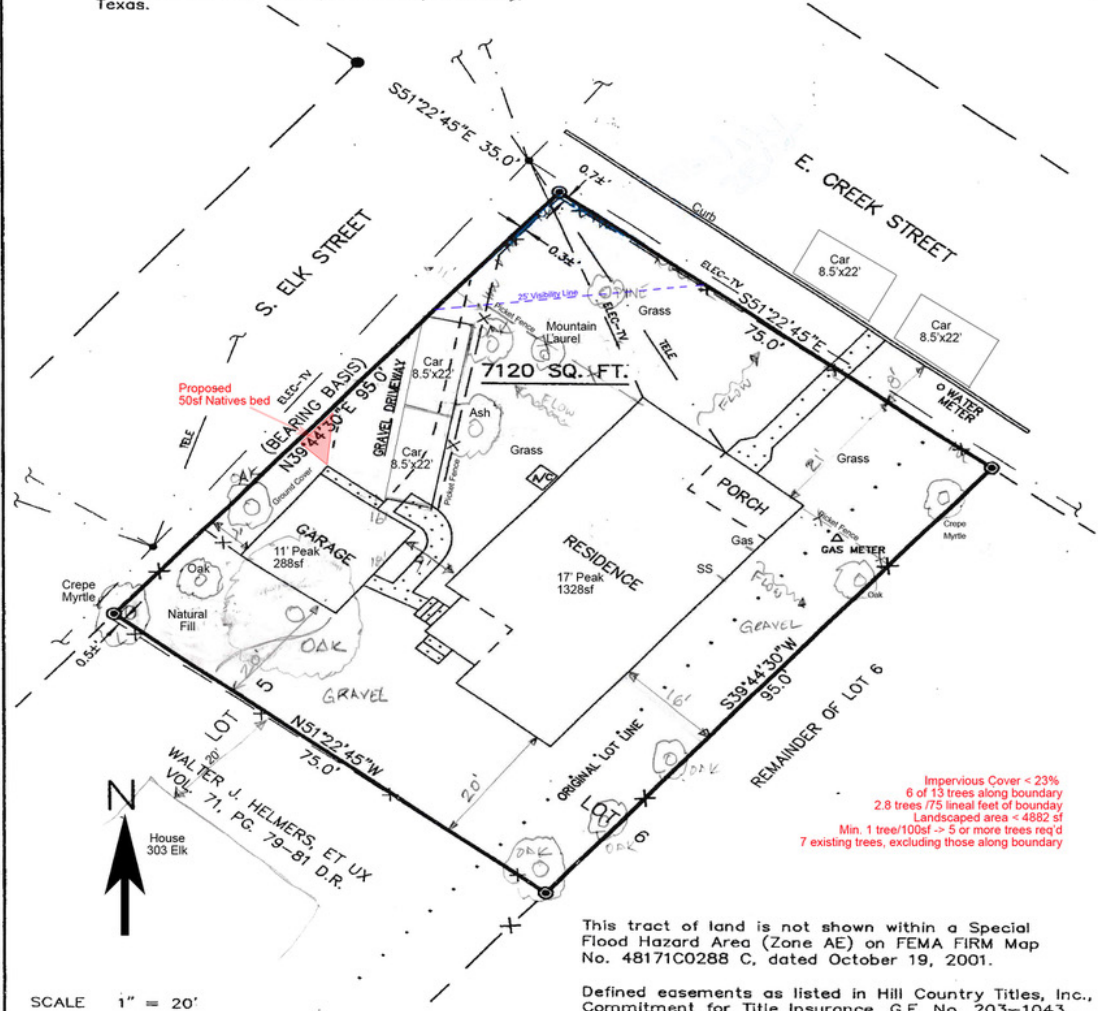
Determination that the proposed use, together with the conditions applicable thereto, will not be detrimental to the public health, safety, or welfare or materially injurious to properties or improvements in the vicinity.

**SURVEY MAP SHOWING  
7120± SQUARE FEET OF LAND, BEING PARTS  
OF LOTS NO. 5 AND 6, F.W. LANGERHANS ADDITION, SITUATED  
IN THE CITY OF FREDERICKSBURG, GILLESPIE COUNTY, TEXAS.  
PLAT FOUND OF RECORD IN VOLUME 16, PAGE 264 OF  
THE DEED RECORDS OF GILLESPIE COUNTY, TEXAS.**

**SURVEY MADE AT THE REQUEST OF  
JOHN LIVELY.**

Being that same tract of land described in a conveyance to Arbor Homes, Inc., by Norman E. Canfield, et ux, dated September 3, 1998, found of record in Volume 354, pages 7-9 of the Real Property Records of Gillespie County, Texas.

**BORROWER/PROPERTY ADDRESS:**  
Kathryn Langer  
501 E. CREEK STREET  
FREDERICKSBURG, TEXAS 78624



Impervious Cover < 23%  
6 of 13 trees along boundary  
2.8 trees/75 lineal feet of boundary  
Landscaped area < 4882 sf  
Min. 1 tree/100sf -> 5 or more trees req'd  
7 existing trees, excluding those along boundary

This tract of land is not shown within a Special Flood Hazard Area (Zone AE) on FEMA FIRM Map No. 48171C0288 C, dated October 19, 2001.

Defined easements as listed in Hill Country Titles, Inc., Commitment for Title Insurance, G.F. No. 203-1043, issued November 14, 2003, are shown hereon.

I hereby certify that this plat and accompanying field notes represent a survey made on the ground under my supervision and that there are no intrusions or protrusions of improvements visible or apparent on the ground except as shown hereon.

Surveyed November 12, 2003

*Carey Bonn*  
Carey Bonn  
Reg. Prof. Land Surveyor No. 4447

**BONN SURVEYING**  
503 Longhorn St.  
Fredericksburg, TX 78624  
Phone : 830-997-3884  
Fax : 830-997-0972













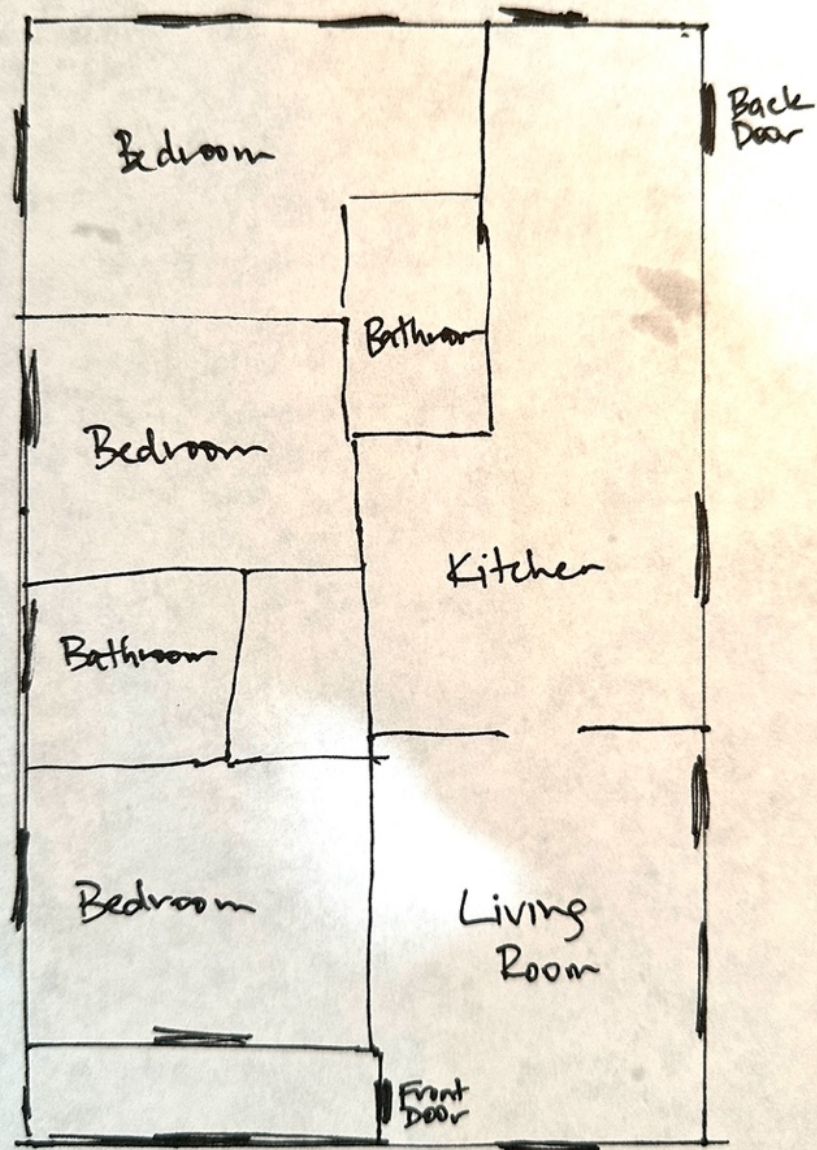




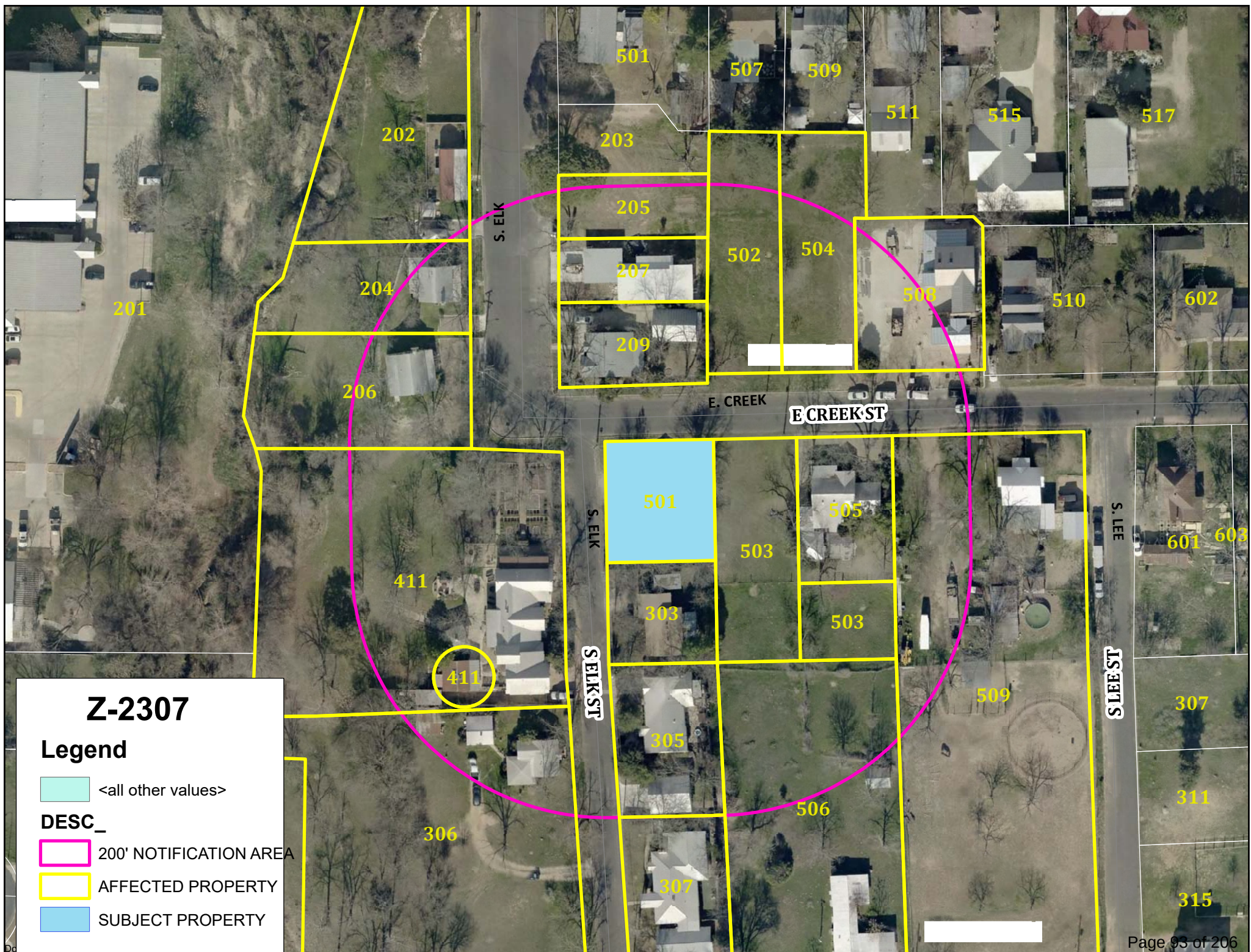




# Emergency Evacuation Floorplan





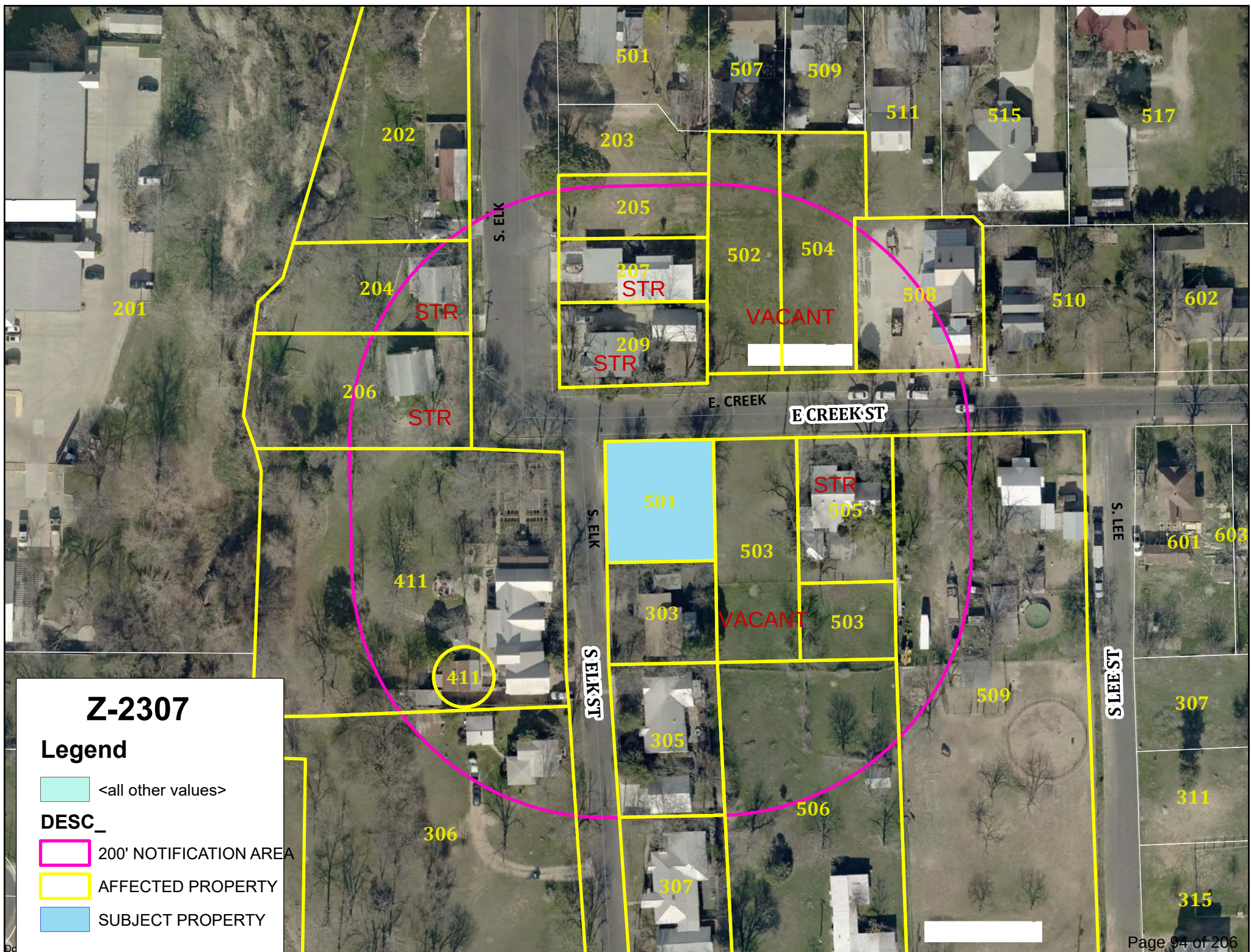


# Z-2307

## Legend

-  <all other values>
-  200' NOTIFICATION AREA
-  AFFECTED PROPERTY
-  SUBJECT PROPERTY





# Z-2307

## Legend

- <all other values>
- DESC\_**
- 200' NOTIFICATION AREA
- AFFECTED PROPERTY
- SUBJECT PROPERTY

CARLETTA SMITH  
204 E TRAVIS ST  
FREDERICKSBURG, TX 78624

JIM & TISHA SHUFFIELD  
151 OAK VALLEY DR  
FREDERICKSBURG, TX 78624

JOY KOLMEIER  
189 REEH-WEINHEIMER RD  
FREDERICKSBURG, TX 78624

WILLIAM & ANTOINETTE JOSEPH  
411 E CREEK ST  
FREDERICKSBURG, TX 78624

GINGER CROSSLEY  
306 S ELK  
FREDERICKSBURG, TX 78624

JAY SEALE LIFE ESTATE  
307 S ELK  
FREDERICKSBURG, TX 78624

STEPHEN & JAYNE POPE  
305 S ELK  
FREDERICKSBURG, TX 78624

KIMBERLY KLEIN  
1515 HOLCOMBOE BLVD APT 1373  
HOUSTON, TX 77030

INN HAUS LLC  
1241 S ST WHY 16  
FREDERICKSBURG, TX 78624

WING CAPITAL INVESTEMENTS LLC  
1659 HWY 46 W STE 115 #448  
NEW BRAUNFELS, TX 78132

CLOVERHAUS LLC  
14524 FLAT TOP RANCH RD  
AUSTIN, TX 78732

MARK LANGERHANS  
198 W GRAND OAKS RD  
HARPER, TX 78631

BENJAMIN & TRISHA FULLER  
508 E CREEK  
FREDERICKSBURG, TX 78624

JAMES & REBECCA GALLE  
156 AUGUSTA  
BOERNE, TX 78006

CHARLES & BEVERLY TANNER  
938 PARTHENON PL  
NEW CANEY, TX 77357

JEFFREY & ANDREA PETRO  
485 ADMIRAL HEIGHTS BLVD  
FREDERICKSBURG, TX 78624

CAVAN & DONNA MCMAHON  
518 ½ W PEACH ST  
FREDERICKSBURG, TX 78624

Z-2307





## **CITY COUNCIL AGENDA MEMO**

---

**DEPARTMENT:** City Secretary  
**TO:** Mayor & City Council Members  
**FROM:** Clinton Bailey, City Manager  
**MEETING DATE:** April 18, 2023

**CATEGORY:** ORDINANCES, RESOLUTIONS  
AND PUBLIC HEARINGS

---

**CAPTION:** Creation of a Public Housing Authority (Requested by Councilmembers Emily Kirchner & Bobby Watson)

- i. Presentation
  - ii. Discussion
  - ii. Possible action and/or direction regarding resolution to form a housing authority/public corporation
- 

### **PRESENTATION:**

### **SUMMARY:**

Discussion and possible action relating to the possible creation of a housing authority to address workforce housing issues within the City of Fredericksburg and surrounding area.

### **BACKGROUND:**

### **FUNDING SOURCE:**

### **FINANCIAL IMPACT:**

### **STAFF RECOMMENDATION:**

---

### **COMMUNITY VISIONING/STRATEGIC INITIATIVES:**

Business Visioning  
Government Vision  
Family Life Vision  
Quality of Life Vision

---

### **ATTACHMENTS:**

None

### **APPROVAL/REVIEW:**

Date: April 05, 2023



---

William McKamie, City Attorney



Date: April 11, 2023

---

Shelley Goodwin, City Secretary



Date: April 12, 2023

---

Clinton Bailey, City Manager



## **CITY COUNCIL AGENDA MEMO**

---

**DEPARTMENT:** Finance Department  
**TO:** Mayor & City Council Members  
**FROM:** Krista Wareham, Director of Finance  
**MEETING DATE:** April 18, 2023

**CATEGORY:** OTHER ACTION ITEMS AND  
UPDATES

---

**CAPTION:** Fiscal Year 2022 Annual Audit and Financial Statement based on the audit conducted by ABIP, P.C. (Krista Wareham, Finance Director)

- i. Presentation
  - ii. Take action on the FY2022 Audit and Financial Statement prepared by ABIP, P.C.
- 

### **PRESENTATION:**

#### **SUMMARY:**

The accounting firm of ABIP, P. C., has performed an audit of the City's Annual Financial Statements for the fiscal year that ended September 30, 2022. The financial statements are the responsibility of the City's administration. The auditor's responsibility is to express an opinion on the financial results presented based on their audit. At Tuesday's City Council meeting, our auditing firm will present a summary report on our Annual Financial Statements for September 30, 2022.

Janet Pitman, CPA, will present an overview of the City's financials and answer questions regarding the audit and the financial statements. The presentation will be approximately ten minutes. If you have any questions after reviewing the audit report, please email your questions to me by Thursday, April 13, at noon, so I can forward it to Janet in time to research before Monday's meeting.

#### **BACKGROUND:**

The City Charter requires an annual audit and examination of the City records and accounts of each department of the City. A complete audit in accordance with standards set by the American Institute of Certified Public Accountants shall be made at the end of each fiscal year by an Independent Certified Public Accountant approved by the City Council.

#### **FUNDING SOURCE:**

#### **FINANCIAL IMPACT:**

#### **STAFF RECOMMENDATION:**

It is recommended that the Financial Statements be accepted into the records of the City as presented. If the Council wishes to discuss the financial statements in greater detail, staff suggests that we do so as part of a Council Retreat, a separate workshop, or on a one-on-one basis.

---

**COMMUNITY VISIONING/STRATEGIC INITIATIVES:**

Government Vision

---

**ATTACHMENTS:**

1. Draft-Annual Financial Report for the Fiscal Year ended Sept 30, 2022

**APPROVAL/REVIEW:**



---

Krista Wareham, Director of Finance

Date: April 11, 2023

---

William McKamie, City Attorney

Date: April 11, 2023



---

Shelley Goodwin, City Secretary

Date: April 11, 2023



---

Clinton Bailey, City Manager

Date: April 12, 2023



DRAFT

# CITY OF FREDERICKSBURG, TEXAS

ANNUAL FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2022



CLIENT **FOCUSED.** RELATIONSHIP **DRIVEN.**



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**FINANCIAL SECTION**





## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Fredericksburg, Texas

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fredericksburg, Texas (the "City") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, 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.

### Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, General Fund Budgetary Comparison Information, and the Texas Municipal Retirement System Net Pension Liability and Other Postemployment Benefits Liability required schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying budget to actual schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

## Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2023, 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 solely 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 effectiveness of the City's 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.

San Antonio, Texas  
April 18, 2023





## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&amp;A)

For the year ended September 30, 2022

As management of the City of Fredericksburg, Texas, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with the City's financial statements, which follow this section.

## FINANCIAL HIGHLIGHTS

- ❖ The assets and deferred outflows of resources of the City of Fredericksburg exceeded its liabilities and deferred inflows of resources as of September 30, 2022 by \$65,449,949 (net position). Of this amount, \$12,347,326 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- ❖ The City's total net position increased by \$9,251,160.
- ❖ As of the close of the current fiscal year, the City of Fredericksburg's governmental funds reported combined fund balances of \$19,277,040 of which \$17,641,424 was unassigned and is available for spending at the City's discretion.
- ❖ As of September 30, 2022, unassigned fund balance for the general fund was \$17,641,424 or 76% of the current year's total general fund expenditures of \$23,084,495. The City's fund balance policy is to carry a 25% reserve of the general fund's expenditures. At the end of the fiscal year the City exceeded this policy by \$11,870,300.

## 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 three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**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 statements of a private-sector business.

The **statement of net position** presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, 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 City's net position changed during the most recent fiscal year. All changes in net position are reported when 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 result in cash flows in future fiscal periods (e.g., uncollected taxes and earned and unused compensation absences).

Both the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from 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 administration, public safety, streets, parks and recreation, and health services. The business-type activities of the City include electric, water, wastewater, storm water drainage, solid waste, emergency medical services (EMS), and golf operations. The government-wide financial statements can be found on pages 14-17 of this report.

## **Fund Financial Statements**

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City of Fredericksburg, 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 two categories – governmental funds and proprietary funds.

The **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 current sources and uses 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 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 statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Beginning on page 18 of this report, information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be the major fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the annual appropriated budget.

The **proprietary funds** provide the same type of information as the government-wide financial statements only in more detail. The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in government-wide financial statements. The City uses the enterprise funds to account for electric, water, wastewater, storm water drainage, solid waste, emergency medical services, and golf operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the employee health insurance program. The internal service function has been included within governmental activities in the government-wide financial statements. The internal service fund is reported in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 22-27 of this report.

## **Notes to the 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. The notes to the financial statements can be found on pages 35-65 of this report.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the budgetary comparison schedule for the general fund, schedule of changes in net pension liability and related ratios for TMRS and TESRS, schedule of contributions for TMRS and TESRS, changes in other postemployment benefit (OPEB) liability and related ratios, and schedule of contributions for OPEB. Required supplementary information can be found on pages 69-78 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the City of Fredericksburg, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$64,449,949 as of September 30, 2022, compared to \$56,330,950 as of September 30, 2021.

## NET POSITION

|                                  | Governmental Activities |               | Business-Type Activities |               | Total         |               |
|----------------------------------|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
|                                  | 2022                    | 2021          | 2022                     | 2021          | 2022          | 2021          |
| Assets:                          |                         |               |                          |               |               |               |
| Current and other assets         | \$ 22,272,721           | \$ 18,301,496 | \$ 24,480,546            | \$ 24,095,136 | \$ 46,753,267 | \$ 42,396,632 |
| Capital assets                   | 24,281,008              | 22,599,086    | 53,024,208               | 50,136,351    | 77,305,216    | 72,735,437    |
| Total assets                     | 46,553,729              | 40,900,582    | 77,504,754               | 74,231,487    | 124,058,483   | 115,132,069   |
| Deferred outflows of resources   | 1,856,985               | 1,445,163     | 1,343,172                | 1,162,920     | 3,200,157     | 2,608,083     |
| Liabilities:                     |                         |               |                          |               |               |               |
| Current liabilities              | 3,834,429               | 3,651,475     | 7,806,677                | 6,449,907     | 11,641,106    | 10,101,382    |
| Net pension liability            | 7,406,372               | 8,606,088     | 5,549,146                | 6,982,766     | 12,955,518    | 15,588,854    |
| OPEB liability                   | 480,720                 | 435,900       | 371,556                  | 356,086       | 852,276       | 791,986       |
| Noncurrent liabilities           | 6,843,279               | 6,366,076     | 26,198,050               | 27,111,627    | 33,041,329    | 33,477,703    |
| Total liabilities                | 18,564,800              | 19,059,539    | 39,925,429               | 40,900,386    | 58,490,229    | 59,959,925    |
| Deferred inflows of resources    | 1,872,249               | 825,786       | 1,446,213                | 623,491       | 3,318,462     | 1,449,277     |
| Net position:                    |                         |               |                          |               |               |               |
| Net investment in capital assets | 17,217,681              | 16,014,677    | 27,530,238               | 29,429,805    | 44,747,919    | 45,444,482    |
| Restricted for long-term debt    | 106,606                 | 201,049       | 3,863,520                | 5,944,320     | 3,970,126     | 6,145,369     |
| Restricted for capital projects  | -                       | -             | 571,396                  | 317,082       | 571,396       | 317,082       |
| Restricted for other             | 5,547,664               | 1,635,616     | -                        | -             | 5,547,664     | 1,635,616     |
| Unrestricted                     | 5,101,714               | 4,609,078     | 5,511,130                | (1,820,677)   | 10,612,844    | 2,788,401     |
| Total net position               | \$ 27,973,665           | \$ 22,460,420 | \$ 37,476,284            | \$ 33,870,530 | \$ 65,449,949 | \$ 56,330,950 |

By far, the largest portion of the City's net position (72%) reflects its investments in capital assets (land, buildings, equipment, and infrastructure), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to 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.

The remaining balance of unrestricted net position \$12,347,326 may be used to meet the government's ongoing obligation to citizens and creditors.

**Analysis of the City's Operations**

The following table provides a summary of the City's operations for the year ended September 30, 2022. Governmental activities increased the City's net position by \$5,623,674. Business-type activities increased the City's net position by \$3,627,486.

## STATEMENT OF ACTIVITIES

|                                                      | Governmental Activities |                      | Business-Type Activities |                      | Totals               |                      |
|------------------------------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|                                                      | 2022                    | 2021                 | 2022                     | 2021                 | 2022                 | 2021                 |
| Revenues:                                            |                         |                      |                          |                      |                      |                      |
| Program revenues:                                    |                         |                      |                          |                      |                      |                      |
| Charges for services                                 | \$ 2,721,927            | \$ 2,486,189         | \$ 30,584,996            | \$ 27,684,491        | \$ 33,306,923        | \$ 30,170,680        |
| Operating grants and contributions                   | 1,868,805               | 441,352              | -                        | -                    | 1,868,805            | 441,352              |
| General revenues:                                    |                         |                      |                          |                      |                      |                      |
| Property taxes                                       | 5,070,285               | 5,003,918            | -                        | -                    | 5,070,285            | 5,003,918            |
| Sales taxes                                          | 8,680,999               | 7,962,705            | -                        | -                    | 8,680,999            | 7,962,705            |
| Hotel occupancy taxes                                | 5,805,870               | 5,468,043            | -                        | -                    | 5,805,870            | 5,468,043            |
| Other taxes                                          | 940,952                 | 867,358              | -                        | -                    | 940,952              | 867,358              |
| Miscellaneous                                        | 380,844                 | 151,236              | -                        | -                    | 380,844              | 151,236              |
| Investment earnings                                  | 99,053                  | 19,106               | 86,204                   | 35,455               | 185,257              | 54,561               |
| Total revenues                                       | <u>25,568,735</u>       | <u>22,399,907</u>    | <u>30,671,200</u>        | <u>27,719,946</u>    | <u>56,239,935</u>    | <u>50,119,853</u>    |
| Expenses:                                            |                         |                      |                          |                      |                      |                      |
| Administration                                       | 1,970,325               | 2,221,899            | -                        | -                    | 1,970,325            | 2,221,899            |
| Police                                               | 5,857,868               | 6,399,284            | -                        | -                    | 5,857,868            | 6,399,284            |
| Fire                                                 | 1,532,367               | 1,624,594            | -                        | -                    | 1,532,367            | 1,624,594            |
| Streets                                              | 2,447,345               | 2,926,645            | -                        | -                    | 2,447,345            | 2,926,645            |
| Parks and recreation                                 | 2,731,924               | 2,806,609            | -                        | -                    | 2,731,924            | 2,806,609            |
| Tourism                                              | 4,724,991               | 3,375,372            | -                        | -                    | 4,724,991            | 3,375,372            |
| Health                                               | 233,742                 | 295,649              | -                        | -                    | 233,742              | 295,649              |
| Food and wine festival                               | 167,089                 | 52,264               | -                        | -                    | 167,089              | 52,264               |
| Emergency management                                 | 204,847                 | 201,503              | -                        | -                    | 204,847              | 201,503              |
| Development services                                 | 895,219                 | 976,703              | -                        | -                    | 895,219              | 976,703              |
| Municipal court                                      | 283,279                 | 238,596              | -                        | -                    | 283,279              | 238,596              |
| Engineering                                          | 201,447                 | 276,170              | -                        | -                    | 201,447              | 276,170              |
| Interest                                             | 178,490                 | -                    | -                        | -                    | 178,490              | -                    |
| Electric                                             | -                       | -                    | 12,170,168               | 12,282,851           | 12,170,168           | 12,282,851           |
| Water and sewer                                      | -                       | -                    | 6,291,664                | 7,071,071            | 6,291,664            | 7,071,071            |
| Golf                                                 | -                       | -                    | 143,059                  | 280,601              | 143,059              | 280,601              |
| Landfill                                             | -                       | -                    | 3,153,769                | 3,316,622            | 3,153,769            | 3,316,622            |
| EMS                                                  | -                       | -                    | 3,450,338                | 3,617,695            | 3,450,338            | 3,617,695            |
| Drainage utilities                                   | -                       | -                    | 468,471                  | 776,418              | 468,471              | 776,418              |
| Total expenses                                       | <u>21,428,933</u>       | <u>21,395,288</u>    | <u>25,677,469</u>        | <u>27,345,258</u>    | <u>47,106,402</u>    | <u>48,740,546</u>    |
| Increase (decrease) in net position before transfers | 4,139,802               | 1,004,619            | 4,993,731                | 374,688              | 9,133,533            | 1,379,307            |
| Gain on retirement of assets                         | 42,900                  | 107,010              | 74,727                   | 158,522              | 117,627              | 265,532              |
| Transfers                                            | <u>1,440,972</u>        | <u>1,457,572</u>     | <u>(1,440,972)</u>       | <u>(1,457,572)</u>   | <u>-</u>             | <u>-</u>             |
| Change in net position                               | 5,623,674               | 2,569,201            | 3,627,486                | (924,362)            | 9,251,160            | 1,644,839            |
| Net position:                                        |                         |                      |                          |                      |                      |                      |
| Net position - beginning                             | 22,460,420              | 19,891,219           | 33,870,530               | 34,794,892           | 56,330,950           | 54,686,111           |
| Prior period adjustment                              | <u>(110,429)</u>        | <u>-</u>             | <u>(21,732)</u>          | <u>-</u>             | <u>(132,161)</u>     | <u>-</u>             |
| Net position - ending                                | <u>\$ 27,973,665</u>    | <u>\$ 22,460,420</u> | <u>\$ 37,476,284</u>     | <u>\$ 33,870,530</u> | <u>\$ 65,449,949</u> | <u>\$ 56,330,950</u> |

As a whole, the government's net position increased by \$9,251,160 during the current fiscal year.



## FINANCIAL ANALYSIS OF THE GOVERNMENT 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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,386,146. Refer to page 18 of this report for a more detailed presentation of governmental fund balances.

The general fund is the primary operating fund of the City. The total fund balance of the general fund was \$19,277,040 of which \$17,641,040 is unassigned. Unassigned fund balance is the amount available for any purpose.

The fund balance of the City's general fund increased by \$3,717,698 during the current fiscal year. The budget estimated a net change in fund balance of \$(820,373), but incurred a positive variance of \$4,538,071.

**Proprietary Funds**

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the City's enterprise funds at the end of the year amounted to \$3,953,830. Net position of the City's enterprise funds increased by \$3,627,486 in the current year. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

**CAPITAL ASSETS**

The City's investment in capital assets for its governmental and business type activities as of September 30, 2022, amounts to \$77,305,216 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities and infrastructure.

Major capital asset acquisitions occurring during the current fiscal year included the following:

|                                                             |                     |
|-------------------------------------------------------------|---------------------|
| Fire department machinery and equipment                     | \$ 25,106           |
| Administration department land, improvements, and machinery | 192,702             |
| Police vehicles and equipment                               | 281,383             |
| Fire department pumper                                      | 550,000             |
| Street department machinery and equipment                   | 564,390             |
| Tourism projects                                            | 149,557             |
| Emergency management equipment                              | 32,136              |
| Park improvements                                           | 889,570             |
| Generators                                                  | 66,554              |
| Drainage department machine and equipment                   | 460,334             |
| Electric system improvements                                | 286,163             |
| Water department machinery/ equipment                       | 413,325             |
| Water / wastewater system improvements                      | 4,280,950           |
| Solid waste department machinery /equipment                 | 152,915             |
| EMS department machinery / equipment                        | 14,017              |
| Totals                                                      | <u>\$ 8,359,102</u> |

Additional information on the City's capital assets can be found on pages 45-47 of this report.

## DEBT ADMINISTRATION

At the end of the current fiscal year, the City had a total outstanding bonded debt of \$26,200,000. The entire amount of debt is backed in full faith and credit of the City.

The City carries bond ratings from Standards and Poor's of AA and from Moody's Investors Service of Aa3.

Additional information on the City's long-term liabilities can be found on pages 50-52 of this report.

## PROPERTY TAXES

**General Fund Property Tax Rate**

In the budget for fiscal year end September 30, 2022, the adopted property tax rate decreased to \$0.1958 from the prior year per \$100 of assessed valuation.

**Tax Rate, Levy and Collection History**

| Fiscal Year<br>Ended<br>September 30, | Tax Rate | General Fund | Interest and<br>Sinking Fund | Tax Levy     | Percentage<br>of Current<br>Collections | Percentage<br>of<br>Collections |
|---------------------------------------|----------|--------------|------------------------------|--------------|-----------------------------------------|---------------------------------|
| 2022                                  | 0.1958   | 0.1680       | 0.0278                       | \$ 5,040,338 | 93.87%                                  | 99.32%                          |
| 2021                                  | 0.2208   | 0.1846       | 0.0362                       | 4,969,206    | 93.94%                                  | 99.24%                          |
| 2020                                  | 0.2273   | 0.1898       | 0.0375                       | 4,913,299    | 93.32%                                  | 99.67%                          |
| 2019                                  | 0.2256   | 0.1880       | 0.0376                       | 4,422,710    | 92.29%                                  | 99.76%                          |
| 2018                                  | 0.2256   | 0.1627       | 0.0629                       | 4,255,938    | 93.94%                                  | 99.86%                          |
| 2017                                  | 0.2400   | 0.2025       | 0.0375                       | 3,893,409    | 92.87%                                  | 99.90%                          |
| 2016                                  | 0.2313   | 0.1761       | 0.0552                       | 3,545,858    | 92.65%                                  | 99.90%                          |
| 2015                                  | 0.2482   | 0.1992       | 0.0490                       | 3,495,943    | 93.40%                                  | 99.92%                          |
| 2014                                  | 0.2600   | 0.1879       | 0.0721                       | 3,439,885    | 92.52%                                  | 99.90%                          |
| 2013                                  | 0.2647   | 0.1940       | 0.0707                       | 3,420,570    | 92.03%                                  | 99.90%                          |

## CITY OF FREDERICKSBURG, TEXAS

## BUDGET COMPARISON

For the years ended 2022 and 2021

|                                                             | Budget Year            |                        | Increase    | Increase   |
|-------------------------------------------------------------|------------------------|------------------------|-------------|------------|
|                                                             | 2021-2022              | 2020-2021              | (Decrease)  | (Decrease) |
| Revenues:                                                   |                        |                        |             |            |
| General fund                                                | \$ 24,557,018          | \$ 24,557,018          | \$ -        | 0.00%      |
| Electric                                                    | 12,405,968             | 12,405,968             | -           | 0.00%      |
| Water and sewer                                             | 9,387,361              | 9,387,361              | -           | 0.00%      |
| Golf                                                        | 148,724                | 148,724                | -           | 0.00%      |
| Landfill                                                    | 2,740,896              | 2,740,896              | -           | 0.00%      |
| EMS                                                         | 3,803,575              | 3,803,575              | -           | 0.00%      |
| Drainage                                                    | 618,950                | 618,950                | -           | 0.00%      |
| Emergency management                                        | 241,885                | 241,885                | -           | 0.00%      |
| Debt service                                                | 720,198                | 720,198                | -           | 0.00%      |
| Internal service fund                                       | <u>2,798,698</u>       | <u>2,798,698</u>       | -           | 0.00%      |
| Total revenues                                              | <u>57,423,273</u>      | <u>57,423,273</u>      | -           | 0.00%      |
| Expenditures:                                               |                        |                        |             |            |
| General fund:                                               |                        |                        |             |            |
| Administrative                                              | 10,793,488             | 10,793,488             | -           | 0.00%      |
| Police                                                      | 6,348,274              | 6,348,274              | -           | 0.00%      |
| Fire                                                        | 2,157,105              | 2,157,105              | -           | 0.00%      |
| Street                                                      | 2,501,142              | 2,501,142              | -           | 0.00%      |
| Park                                                        | 3,286,962              | 3,286,962              | -           | 0.00%      |
| Development services                                        | 1,247,163              | 1,247,163              | -           | 0.00%      |
| Health                                                      | 250,849                | 250,849                | -           | 0.00%      |
| Municipal court                                             | 283,959                | 283,959                | -           | 0.00%      |
| Engineering                                                 | 270,882                | 270,882                | -           | 0.00%      |
| Food and wine festival                                      | <u>170,100</u>         | <u>170,100</u>         | -           | 0.00%      |
| Total general fund expenditures                             | <u>27,309,924</u>      | <u>27,309,924</u>      | -           | 0.00%      |
| Electric                                                    | 12,608,652             | 12,608,652             | -           | 0.00%      |
| Water and sewer                                             | 19,875,911             | 19,875,911             | -           | 0.00%      |
| Golf                                                        | 148,724                | 148,724                | -           | 0.00%      |
| Landfill                                                    | 2,641,304              | 2,641,304              | -           | 0.00%      |
| EMS                                                         | 3,803,575              | 3,803,575              | -           | 0.00%      |
| Drainage                                                    | 738,001                | 738,001                | -           | 0.00%      |
| Emergency management                                        | 241,885                | 241,885                | -           | 0.00%      |
| Debt service                                                | 814,252                | 814,252                | -           | 0.00%      |
| Internal service fund                                       | <u>2,779,753</u>       | <u>2,779,753</u>       | -           | 0.00%      |
| Total expenditures                                          | <u>70,961,981</u>      | <u>70,961,981</u>      | -           | 0.00%      |
| Budgeted revenues in excess<br>(deficiency) of expenditures | <u>\$ (13,538,708)</u> | <u>\$ (13,538,708)</u> | <u>\$ -</u> |            |

## 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 government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Laura Hollenbeak, Director of Finance, 126 West Main, Fredericksburg, Texas 78264 or call (830) 997-7521.



## **BASIC FINANCIAL STATEMENTS**

The basic financial statements include integrated sets of financial statements as required by the Government Accounting Standards Board (GASB).

The sets of statements include:

- Government–Wide Financial Statements
- Fund Financial Statements:
  - Governmental Funds
  - Proprietary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user’s understanding of the basic financial statements.

## STATEMENT OF NET POSITION

September 30, 2022

|                                                            | Primary Government |               |                | Component Unit                                     |
|------------------------------------------------------------|--------------------|---------------|----------------|----------------------------------------------------|
|                                                            | Governmental       | Busines-Type  | Total          | Fredericksburg<br>Convention and<br>Visitor Bureau |
|                                                            | Activities         | Activities    |                |                                                    |
| Assets:                                                    |                    |               |                |                                                    |
| Cash and cash equivalents                                  | \$ 18,189,477      | \$ 19,676,595 | \$ 37,866,072  | \$ 2,125,608                                       |
| Investments - current                                      | 500,000            | 650,000       | 1,150,000      | -                                                  |
| Tax receivables (net of allowances<br>for uncollectibles): | 1,457,068          | -             | 1,457,068      | -                                                  |
| Internal balances                                          | 494,276            | (494,276)     | -              | -                                                  |
| Intergovernmental receivable                               | 1,631,900          | 55,085        | 1,686,985      | -                                                  |
| Due from others                                            | -                  | 3,073,689     | 3,073,689      | -                                                  |
| Inventories                                                | -                  | 1,519,453     | 1,519,453      | -                                                  |
| Prepaid expenses                                           | -                  | -             | -              | 181,742                                            |
| Property and equipment<br>(net of depreciation):           |                    |               |                |                                                    |
| Land                                                       | 7,583,156          | 1,126,948     | 8,710,104      | -                                                  |
| Buildings                                                  | 4,638,915          | 3,327,739     | 7,966,654      | -                                                  |
| Improvements                                               | 9,198,135          | 9,199,314     | 18,397,449     | -                                                  |
| Machinery and equipment                                    | 2,377,709          | 39,068,461    | 41,446,170     | 35,653                                             |
| Right to use assets - equipment                            | 483,093            | 301,746       | 784,839        | -                                                  |
| Total assets                                               | 46,553,729         | 77,504,754    | 124,058,483    | 2,343,003                                          |
| Deferred outflows of resources:                            |                    |               |                |                                                    |
| Deferred outflow related to TMRS pension                   | 1,639,441          | 1,267,154     | 2,906,595      | -                                                  |
| Deferred outflow related to TESRS pension                  | 119,193            | -             | 119,193        | -                                                  |
| Deferred outflow related to TMRS OPEB                      | 98,351             | 76,018        | 174,369        | -                                                  |
| Total deferred outflows of resources                       | 1,856,985          | 1,343,172     | 3,200,157      | -                                                  |
| Total assets and deferred outflows<br>of resources         | \$ 48,410,714      | \$ 78,847,926 | \$ 127,258,640 | \$ 2,343,003                                       |

The accompanying notes are an integral part of these financial statements.

## STATEMENT OF NET POSITION

September 30, 2022

|                                                                      | Primary Government   |                      |                       | Component Unit      |
|----------------------------------------------------------------------|----------------------|----------------------|-----------------------|---------------------|
|                                                                      | Governmental         | Busines-Type         |                       | Fredericksburg      |
|                                                                      | Activities           | Activities           | Total                 | Convention and      |
|                                                                      |                      |                      |                       | Visitor Bureau      |
| Liabilities and net position:                                        |                      |                      |                       |                     |
| Liabilities:                                                         |                      |                      |                       |                     |
| Accounts payable                                                     | \$ 1,089,755         | \$ 3,286,547         | \$ 4,376,302          | \$ 75,490           |
| Accrued payroll                                                      | 103,764              | 114,523              | 218,287               | 16,318              |
| Intergovernmental payable                                            | 204,010              | 293,440              | 497,450               | -                   |
| Accrued interest payable                                             | 19,030               | 118,488              | 137,518               | -                   |
| Unearned revenues                                                    | 1,226,965            | -                    | 1,226,965             | -                   |
| Other current liabilities                                            | -                    | 1,463,435            | 1,463,435             | -                   |
| Net pension liability - TMRS                                         | 7,179,476            | 5,549,146            | 12,728,622            | -                   |
| Net pension liability - TESRS                                        | 226,896              | -                    | 226,896               | -                   |
| OPEB liability - TMRS                                                | 480,720              | 371,556              | 852,276               | -                   |
| Noncurrent liabilities:                                              |                      |                      |                       |                     |
| Due within one year                                                  | 1,190,905            | 2,530,244            | 3,721,149             | -                   |
| Due in more than one year                                            | <u>6,843,279</u>     | <u>26,198,050</u>    | <u>33,041,329</u>     | <u>-</u>            |
| Total liabilities                                                    | <u>18,564,800</u>    | <u>39,925,429</u>    | <u>58,490,229</u>     | <u>91,808</u>       |
| Deferred inflows of resources:                                       |                      |                      |                       |                     |
| Deferred inflow related to TMRS pension                              | 1,851,317            | 1,430,916            | 3,282,233             | -                   |
| Deferred inflow related to TESRS                                     | 1,141                | -                    | 1,141                 | -                   |
| Deferred inflow related to TMRS OPEB                                 | <u>19,791</u>        | <u>15,297</u>        | <u>35,088</u>         | <u>-</u>            |
| Total deferred inflows of resources                                  | <u>1,872,249</u>     | <u>1,446,213</u>     | <u>3,318,462</u>      | <u>-</u>            |
| Net position:                                                        |                      |                      |                       |                     |
| Net investment in capital assets                                     | 17,217,681           | 27,530,238           | 44,747,919            | -                   |
| Restricted for:                                                      |                      |                      |                       |                     |
| Long-term debt                                                       | 106,606              | 3,863,520            | 3,970,126             | -                   |
| Capital projects                                                     | -                    | 571,396              | 571,396               | -                   |
| Tourism                                                              | 5,532,689            | -                    | 5,532,689             | -                   |
| Court technology                                                     | 14,975               | -                    | 14,975                | -                   |
| Unrestricted                                                         | <u>5,101,714</u>     | <u>5,511,130</u>     | <u>10,612,844</u>     | <u>2,251,195</u>    |
| Total net position                                                   | <u>27,973,665</u>    | <u>37,476,284</u>    | <u>65,449,949</u>     | <u>2,251,195</u>    |
| Total liabilities, deferred inflows<br>of resources and net position | <u>\$ 48,410,714</u> | <u>\$ 78,847,926</u> | <u>\$ 127,258,640</u> | <u>\$ 2,343,003</u> |

The accompanying notes are an integral part of these financial statements.

## STATEMENT OF ACTIVITIES

For the year ended September 30, 2022

| Functions / Programs                         | Expenses             | Program Revenues        |                                       |
|----------------------------------------------|----------------------|-------------------------|---------------------------------------|
|                                              |                      | Charges<br>for Services | Operating Grants<br>and Contributions |
| Primary government:                          |                      |                         |                                       |
| Governmental activities:                     |                      |                         |                                       |
| Municipal court                              | \$ 283,279           | \$ 151,086              | \$ -                                  |
| Administration                               | 1,970,325            | 13,203                  | 1,684,390                             |
| Tourism                                      | 4,724,991            | 55,247                  | 36,339                                |
| Engineering                                  | 201,447              | -                       | -                                     |
| Police                                       | 5,857,868            | 829,084                 | 35,623                                |
| Fire                                         | 1,532,367            | -                       | -                                     |
| Emergency management                         | 204,847              | -                       | 9,302                                 |
| Streets                                      | 2,447,345            | -                       | 103,151                               |
| Parks                                        | 2,731,924            | 1,301,134               | -                                     |
| Health                                       | 233,742              | 37,351                  | -                                     |
| Food and wine festival                       | 167,089              | -                       | -                                     |
| Development services                         | 895,219              | 334,822                 | -                                     |
| Interest and other fees                      | 178,490              | -                       | -                                     |
| Total government activities                  | <u>21,428,933</u>    | <u>2,721,927</u>        | <u>1,868,805</u>                      |
| Business-type activities:                    |                      |                         |                                       |
| Electric                                     | 12,170,168           | 13,173,232              | -                                     |
| Water                                        | 6,291,664            | 10,454,145              | -                                     |
| Golf                                         | 143,059              | (26)                    | -                                     |
| Landfill                                     | 3,153,769            | 3,561,565               | -                                     |
| EMS                                          | 3,450,338            | 2,756,961               | -                                     |
| Drainage                                     | 468,471              | 639,119                 | -                                     |
| Total business-type activities               | <u>25,677,469</u>    | <u>30,584,996</u>       | <u>-</u>                              |
| Total primary government                     | <u>\$ 47,106,402</u> | <u>\$ 33,306,923</u>    | <u>\$ 1,868,805</u>                   |
| Component unit:                              |                      |                         |                                       |
| Fredericksburg Convention and Visitor Bureau | <u>\$ 3,458,002</u>  |                         |                                       |

## General revenues:

## Taxes:

Property taxes

Sales tax

Hotel occupancy tax

Other taxes

Miscellaneous revenue

Investment earnings

Transfers in (out)

Gain on retirement of  
capital assets

Total general revenues

Change in net position

Net position - beginning of year

Prior period adjustment

Net position - beginning, as restated

Net position - end of year

The accompanying notes are an integral part of these financial statements.



| Changes in Net Position    |                             |                     | Component Unit                                     |
|----------------------------|-----------------------------|---------------------|----------------------------------------------------|
| Primary Government         |                             |                     |                                                    |
| Governmental<br>Activities | Business-Type<br>Activities | Total               | Fredericksburg<br>Convention and<br>Visitor Bureau |
| \$ (132,193)               | \$ -                        | \$ (132,193)        |                                                    |
| (272,732)                  | -                           | (272,732)           |                                                    |
| (4,633,405)                | -                           | (4,633,405)         |                                                    |
| (201,447)                  | -                           | (201,447)           |                                                    |
| (4,993,161)                | -                           | (4,993,161)         |                                                    |
| (1,532,367)                | -                           | (1,532,367)         |                                                    |
| (195,545)                  | -                           | (195,545)           |                                                    |
| (2,344,194)                | -                           | (2,344,194)         |                                                    |
| (1,430,790)                | -                           | (1,430,790)         |                                                    |
| (196,391)                  | -                           | (196,391)           |                                                    |
| (167,089)                  | -                           | (167,089)           |                                                    |
| (560,397)                  | -                           | (560,397)           |                                                    |
| (178,490)                  | -                           | (178,490)           |                                                    |
| <u>(16,838,201)</u>        | <u>-</u>                    | <u>(16,838,201)</u> |                                                    |
| -                          | 1,003,064                   | 1,003,064           |                                                    |
| -                          | 4,162,481                   | 4,162,481           |                                                    |
| -                          | (143,085)                   | (143,085)           |                                                    |
| -                          | 407,796                     | 407,796             |                                                    |
| -                          | (693,377)                   | (693,377)           |                                                    |
| <u>-</u>                   | <u>170,648</u>              | <u>170,648</u>      |                                                    |
| <u>-</u>                   | <u>4,907,527</u>            | <u>4,907,527</u>    |                                                    |
| <u>(16,838,201)</u>        | <u>4,907,527</u>            | <u>(11,930,674)</u> |                                                    |
|                            |                             |                     | \$ <u>(3,458,002)</u>                              |
| 5,070,285                  | -                           | 5,070,285           | -                                                  |
| 8,680,999                  | -                           | 8,680,999           | -                                                  |
| 5,805,870                  | -                           | 5,805,870           | -                                                  |
| 940,952                    | -                           | 940,952             | -                                                  |
| 380,844                    | -                           | 380,844             | 4,246,557                                          |
| 99,053                     | 86,204                      | 185,257             | -                                                  |
| 1,440,972                  | (1,440,972)                 | -                   | -                                                  |
| <u>42,900</u>              | <u>74,727</u>               | <u>117,627</u>      | <u>-</u>                                           |
| <u>22,461,875</u>          | <u>(1,280,041)</u>          | <u>20,498,106</u>   | <u>4,246,557</u>                                   |
| 5,623,674                  | 3,627,486                   | 9,251,160           | 788,555                                            |
| 22,460,420                 | 33,870,530                  | 56,330,950          | 1,462,640                                          |
| <u>(110,429)</u>           | <u>(21,732)</u>             | <u>(132,161)</u>    | <u>-</u>                                           |
| <u>22,349,991</u>          | <u>33,848,798</u>           | <u>56,198,789</u>   | <u>1,065,010</u>                                   |
| \$ 27,973,665              | \$ 37,476,284               | \$ 65,449,949       | \$ 2,251,195                                       |

## BALANCE SHEET – GOVERNMENTAL FUNDS

September 30, 2022

|                                                                    | Major Funds          | Nonmajor Funds        |                   | Total                |
|--------------------------------------------------------------------|----------------------|-----------------------|-------------------|----------------------|
|                                                                    | General Fund         | Capital Projects Fund | Debt Service Fund | Governmental Funds   |
| Assets:                                                            |                      |                       |                   |                      |
| Cash and cash equivalents                                          | \$ 17,730,731        | \$ -                  | \$ 129,079        | \$ 17,859,810        |
| Investments                                                        | 500,000              | -                     | -                 | 500,000              |
| Taxes receivable (net of allowances for uncollectibles)            | 1,370,635            | -                     | -                 | 1,370,635            |
| Receivable (net of allowances)                                     | 86,433               | -                     | -                 | 86,433               |
| Intergovernmental receivables                                      | 1,631,081            | -                     | -                 | 1,631,081            |
| Due from other funds                                               | 521,056              | 2,500                 | 6,548             | 530,104              |
| Total assets                                                       | <u>\$ 21,839,936</u> | <u>\$ 2,500</u>       | <u>\$ 135,627</u> | <u>\$ 21,978,063</u> |
| Liabilities:                                                       |                      |                       |                   |                      |
| Accounts payable                                                   | \$ 904,782           | \$ -                  | \$ -              | \$ 904,782           |
| Wages and salaries payable                                         | 103,764              | -                     | -                 | 103,764              |
| Compensated absences                                               | 10,770               | -                     | -                 | 10,770               |
| Intergovernmental payable                                          | 204,010              | -                     | -                 | 204,010              |
| Due to other funds                                                 | 6,807                | -                     | 29,021            | 35,828               |
| Deferred revenues                                                  | 1,226,965            | -                     | -                 | 1,226,965            |
| Total liabilities                                                  | <u>2,457,098</u>     | <u>-</u>              | <u>29,021</u>     | <u>2,486,119</u>     |
| Deferred inflows of resources:                                     |                      |                       |                   |                      |
| Unearned revenue - property taxes                                  | <u>105,798</u>       | <u>-</u>              | <u>-</u>          | <u>105,798</u>       |
| Fund balances:                                                     |                      |                       |                   |                      |
| Reserved for:                                                      |                      |                       |                   |                      |
| Debt service                                                       | -                    | -                     | 106,606           | 106,606              |
| Capital improvements                                               | -                    | 2,500                 | -                 | 2,500                |
| Court technology                                                   | 14,975               | -                     | -                 | 14,975               |
| Tourism                                                            | 5,532,689            | -                     | -                 | 5,532,689            |
| Unassigned                                                         | <u>13,729,376</u>    | <u>-</u>              | <u>-</u>          | <u>13,729,376</u>    |
| Total fund balances                                                | <u>19,277,040</u>    | <u>2,500</u>          | <u>106,606</u>    | <u>19,386,146</u>    |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 21,839,936</u> | <u>\$ 2,500</u>       | <u>\$ 135,627</u> | <u>\$ 21,978,063</u> |

The accompanying notes are an integral part of these financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

**September 30, 2022**

TOTAL FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 19,386,146

Amounts reported for governmental activities in the statement of net position are different because:

The City uses an internal service fund for health self insurance. The assets and liabilities are included in the governmental activities. 145,513

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 24,281,008

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 105,798

Accrued vacation leave payable is not due and payable in the current period and, therefore, not reported in the funds. (957,087)

Long-term liabilities, which includes certificates of obligation bonds, general obligation bonds, premiums and capital lease payable, are not due and payable in the current period and, therefore, not reported in the funds. (7,066,327)

Net pension liability, other postemployment benefit liability, and related deferred inflows and outflows of resources are not due and payable in the current period and, therefore, not reported in the funds. (7,902,356)

Accrued interest payable on general obligation bonds are not due and payable in the current period and, therefore, not reported in the funds. (19,030)

NET POSITION OF GOVERNMENTAL ACTIVITIES -  
STATEMENT OF NET POSITION

\$ 27,973,665

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**

**For the year ended September 30, 2022**

|                                                              | Major Funds   | Nonmajor Funds |            | Total         |
|--------------------------------------------------------------|---------------|----------------|------------|---------------|
|                                                              | General       | Capital        | Debt       | Total         |
|                                                              | Fund          | Projects       | Service    | Governmental  |
|                                                              |               | Fund           | Fund       | Funds         |
| Revenues:                                                    |               |                |            |               |
| General property taxes                                       | \$ 4,340,505  | \$ -           | \$ 719,572 | \$ 5,060,077  |
| General sales and use taxes                                  | 8,680,999     | -              | -          | 8,680,999     |
| Hotel occupancy taxes                                        | 5,805,870     | -              | -          | 5,805,870     |
| Other taxes                                                  | 592,609       | -              | -          | 592,609       |
| Franchise fees                                               | 348,343       | -              | -          | 348,343       |
| License and permits                                          | 334,822       | -              | -          | 334,822       |
| Fines                                                        | 106,115       | -              | -          | 106,115       |
| Pavilion and camping fees                                    | 922,516       | -              | -          | 922,516       |
| Rentals                                                      | 289,990       | -              | -          | 289,990       |
| Intergovernmental revenue                                    | 813,859       | -              | -          | 813,859       |
| Grants                                                       | 1,577,832     | -              | -          | 1,577,832     |
| Investment earnings                                          | 96,108        | -              | 236        | 96,344        |
| Other revenues                                               | 926,442       | -              | -          | 926,442       |
| Total revenues                                               | 24,836,010    | -              | 719,808    | 25,555,818    |
| Expenditures:                                                |               |                |            |               |
| Current:                                                     |               |                |            |               |
| Municipal court                                              | 288,463       | -              | -          | 288,463       |
| Administration                                               | 1,799,402     | -              | -          | 1,799,402     |
| Tourism                                                      | 4,703,852     | -              | -          | 4,703,852     |
| Police                                                       | 5,744,400     | -              | -          | 5,744,400     |
| Fire                                                         | 1,546,109     | -              | -          | 1,546,109     |
| Emergency management                                         | 196,885       | -              | -          | 196,885       |
| Streets                                                      | 1,758,118     | -              | -          | 1,758,118     |
| Parks and recreation                                         | 2,223,589     | -              | -          | 2,223,589     |
| Health                                                       | 243,469       | -              | -          | 243,469       |
| Food and wine festival                                       | 167,089       | -              | -          | 167,089       |
| Development services                                         | 920,930       | -              | -          | 920,930       |
| Engineering                                                  | 202,960       | -              | -          | 202,960       |
| Debt service:                                                |               |                |            |               |
| Principal                                                    | 498,788       | -              | 655,000    | 1,153,788     |
| Interest                                                     | 39,042        | -              | 159,251    | 198,293       |
| Capital outlay                                               | 2,751,399     | -              | -          | 2,751,399     |
| Total expenditures                                           | 23,084,495    | -              | 814,251    | 23,898,746    |
| Excess (deficiency) of revenues<br>over (under) expenditures | 1,751,515     | -              | (94,443)   | 1,657,072     |
| Other financing sources (uses):                              |               |                |            |               |
| Sale of real and personal property                           | 48,400        | -              | -          | 48,400        |
| Transfers in                                                 | 2,617,100     | -              | -          | 2,617,100     |
| Transfers out                                                | (1,576,128)   | -              | -          | (1,576,128)   |
| Capital leases                                               | 876,811       | -              | -          | 876,811       |
| Total other financing sources (uses)                         | 1,966,183     | -              | -          | 1,966,183     |
| Net change in fund balances                                  | 3,717,698     | -              | (94,443)   | 3,623,255     |
| Fund balances at beginning of year                           | 15,559,342    | 2,500          | 201,049    | 15,762,891    |
| Fund balances at end of year                                 | \$ 19,277,040 | \$ 2,500       | \$ 106,606 | \$ 19,386,146 |

The accompanying notes are an integral part of these financial statements.



**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

**For the year ended September 30, 2022**

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 3,623,255

Amounts reported for governmental activities in the statement of activities are different because:

The City uses an internal service fund to charge the cost of health insurance. The net income (loss) of this fund is consolidated into governmental activities. 256,561

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense \$1,547,070 did not exceed capital outlay (\$2,751,399) and gain on disposal of \$5,500. 1,198,829

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 10,208

The repayment and issuance of the principal of long-term debt consumes the current financial resources of governmental funds but has no effect on net position. 133,475

The amortization of bond premium and losses on refunding do not require the use of current financial resources, and therefore, are not reported in the funds. 7,873

Change in net pension liability, other postemployment benefits liability, and related deferred inflows and outflows do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 520,255

Some expenses 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. (126,782)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 5,623,674

The accompanying notes are an integral part of these financial statements.

## STATEMENT OF NET POSITION – PROPRIETARY FUNDS

September 30, 2022

|                                                | Business-Type Activities - Enterprise Funds |                      |                     |
|------------------------------------------------|---------------------------------------------|----------------------|---------------------|
|                                                | Electric                                    | Water                | Golf                |
| Current assets:                                |                                             |                      |                     |
| Cash and cash equivalents                      | \$ 1,461,217                                | 13,784,996           | \$ 127,867          |
| Investments                                    | -                                           | 400,000              | -                   |
| Due from other funds                           | 585,538                                     | -                    | -                   |
| Intergovernmental receivable                   | 5,309                                       | 6,388                | 357                 |
| Accounts receivable (net of allowance)         | 1,164,878                                   | 844,389              | 3,493               |
| Inventory                                      | <u>1,075,804</u>                            | <u>443,649</u>       | <u>-</u>            |
| Total current assets                           | <u>4,292,746</u>                            | <u>15,479,422</u>    | <u>131,717</u>      |
| Noncurrent assets:                             |                                             |                      |                     |
| Property and equipment:                        |                                             |                      |                     |
| Land                                           | 89,475                                      | 522,525              | 305,399             |
| Buildings                                      | 4,285,526                                   | 2,795,738            | 1,771,506           |
| Improvements                                   | -                                           | -                    | 3,207,056           |
| Machinery and equipment                        | 10,924,972                                  | 60,615,483           | 539,851             |
| Less: accumulated depreciation                 | <u>(10,742,861)</u>                         | <u>(21,321,202)</u>  | <u>(3,219,411)</u>  |
| Total noncurrent assets                        | <u>4,557,112</u>                            | <u>42,612,544</u>    | <u>2,604,401</u>    |
| Deferred outflow of resources:                 |                                             |                      |                     |
| Deferred outflow - TMRS pension                | 276,957                                     | 389,059              | 4,229               |
| Deferred outflow - OPEB                        | <u>16,615</u>                               | <u>23,339</u>        | <u>254</u>          |
| Total deferred outflow of resources            | <u>293,572</u>                              | <u>412,398</u>       | <u>4,483</u>        |
| Total assets and deferred outflow of resources | <u>\$ 9,143,430</u>                         | <u>\$ 58,504,364</u> | <u>\$ 2,740,601</u> |

The accompanying notes are an integral part of these financial statements.

| Business-Type Activities - Enterprise Funds |                     |                     |                          | Governmental<br>Activities |
|---------------------------------------------|---------------------|---------------------|--------------------------|----------------------------|
| Landfill                                    | EMS                 | Drainage            | Enterprise Fund<br>Total | Internal<br>Service Fund   |
| \$ 3,239,116                                | \$ 486,840          | \$ 576,559          | \$ 19,676,595            | \$ 329,667                 |
| 250,000                                     | -                   | -                   | 650,000                  | -                          |
| 585,538                                     | -                   | 259                 | 1,171,335                | -                          |
| 100                                         | 42,707              | 224                 | 55,085                   | 819                        |
| 295,303                                     | 710,793             | 54,833              | 3,073,689                | -                          |
| -                                           | -                   | -                   | 1,519,453                | -                          |
| <u>4,370,057</u>                            | <u>1,240,340</u>    | <u>631,875</u>      | <u>26,146,157</u>        | <u>330,486</u>             |
| 209,549                                     | -                   | -                   | 1,126,948                | -                          |
| 107,770                                     | 368,666             | -                   | 9,329,206                | -                          |
| 6,164,572                                   | 32,759              | 5,187,959           | 14,592,346               | -                          |
| 4,528,665                                   | 1,646,380           | 1,013,558           | 79,268,909               | -                          |
| (9,573,877)                                 | (1,642,504)         | (4,793,346)         | (51,293,201)             | -                          |
| <u>1,436,679</u>                            | <u>405,301</u>      | <u>1,408,171</u>    | <u>53,024,208</u>        | <u>-</u>                   |
| 276,894                                     | 314,146             | 5,869               | 1,267,154                | -                          |
| 16,612                                      | 18,846              | 352                 | 76,018                   | -                          |
| <u>293,506</u>                              | <u>332,992</u>      | <u>6,221</u>        | <u>1,343,172</u>         | <u>-</u>                   |
| <u>\$ 6,100,242</u>                         | <u>\$ 1,978,633</u> | <u>\$ 2,046,267</u> | <u>\$ 80,513,537</u>     | <u>\$ 330,486</u>          |

## STATEMENT OF NET POSITION – PROPRIETARY FUNDS

September 30, 2022

|                                                                   | Business-Type Activities - Enterprise Funds |                      |                     |
|-------------------------------------------------------------------|---------------------------------------------|----------------------|---------------------|
|                                                                   | Electric                                    | Water                | Golf                |
| Liabilities:                                                      |                                             |                      |                     |
| Current liabilities:                                              |                                             |                      |                     |
| Accounts payable                                                  | \$ 1,300,252                                | \$ 1,877,226         | \$ 138              |
| Accrued payroll                                                   | 23,882                                      | 29,541               | 221                 |
| Intergovernmental payable                                         | 40,824                                      | -                    | -                   |
| Accrued interest payable                                          | 9,001                                       | 100,169              | -                   |
| Due to other funds                                                | 91,600                                      | 83,000               | 1,171,076           |
| Other current liabilities                                         | 533,500                                     | 906,935              | -                   |
| Capital leases payable                                            | 221,916                                     | 467,870              | -                   |
| Bonds payable - current maturity:                                 |                                             |                      |                     |
| Revenue bonds                                                     | <u>360,000</u>                              | <u>915,000</u>       | <u>-</u>            |
| Total current liabilities                                         | <u>2,580,975</u>                            | <u>4,379,741</u>     | <u>1,171,435</u>    |
| Noncurrent liabilities:                                           |                                             |                      |                     |
| Bonds payable:                                                    |                                             |                      |                     |
| Revenue bonds                                                     | 1,125,000                                   | 18,640,000           | -                   |
| Capital leases payable                                            | 457,180                                     | 155,381              | -                   |
| Net pension liability - TMRS                                      | 1,212,857                                   | 1,703,774            | 18,518              |
| OPEB liability                                                    | 81,209                                      | 114,081              | 1,240               |
| Unamortized premiums on bonds                                     | -                                           | 730,179              | -                   |
| Compensated absences                                              | 192,652                                     | 204,655              | 2,740               |
| Closure and post-closure liability                                | <u>-</u>                                    | <u>-</u>             | <u>-</u>            |
| Total noncurrent liabilities                                      | <u>3,068,898</u>                            | <u>21,548,070</u>    | <u>22,498</u>       |
| Total liabilities                                                 | <u>5,649,873</u>                            | <u>25,927,811</u>    | <u>1,193,933</u>    |
| Deferred inflows of resources:                                    |                                             |                      |                     |
| Deferred inflow - TMRS pension                                    | 312,750                                     | 439,339              | 4,775               |
| Deferred inflow - OPEB                                            | <u>3,343</u>                                | <u>4,697</u>         | <u>51</u>           |
| Total deferred inflow of resources                                | <u>316,093</u>                              | <u>444,036</u>       | <u>4,826</u>        |
| Net position:                                                     |                                             |                      |                     |
| Net investment in capital assets                                  | 2,393,016                                   | 20,155,721           | 2,604,401           |
| Restricted for long-term debt                                     | 187,932                                     | 3,675,588            | -                   |
| Restricted for capital projects                                   | -                                           | -                    | -                   |
| Unrestricted                                                      | <u>596,516</u>                              | <u>8,301,208</u>     | <u>(1,062,559)</u>  |
| Total net position                                                | <u>3,177,464</u>                            | <u>32,132,517</u>    | <u>1,541,842</u>    |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 9,143,430</u>                         | <u>\$ 58,504,364</u> | <u>\$ 2,740,601</u> |

The accompanying notes are an integral part of these financial statements.



| Business-Type Activities - Enterprise Funds |                     |                     |                          | Governmental<br>Activities |
|---------------------------------------------|---------------------|---------------------|--------------------------|----------------------------|
| Landfill                                    | EMS                 | Drainage            | Enterprise Fund<br>Total | Internal<br>Service Fund   |
| \$ 64,788                                   | \$ 22,719           | \$ 21,424           | \$ 3,286,547             | \$ 184,973                 |
| 24,830                                      | 33,170              | 2,879               | 114,523                  | -                          |
| 7,124                                       | 245,492             | -                   | 293,440                  | -                          |
| 3,283                                       | 3,096               | 2,939               | 118,488                  | -                          |
| 28,000                                      | 286,935             | 5,000               | 1,665,611                | -                          |
| 23,000                                      | -                   | -                   | 1,463,435                | -                          |
| 128,982                                     | 106,563             | 130,512             | 1,055,843                | -                          |
| -                                           | -                   | -                   | 1,275,000                | -                          |
| <u>280,007</u>                              | <u>697,975</u>      | <u>162,754</u>      | <u>9,272,887</u>         | <u>184,973</u>             |
| -                                           | -                   | -                   | 19,765,000               | -                          |
| 270,569                                     | 133,145             | 103,280             | 1,119,555                | -                          |
| 1,212,581                                   | 1,375,714           | 25,702              | 5,549,146                | -                          |
| 81,191                                      | 92,114              | 1,721               | 371,556                  | -                          |
| -                                           | -                   | -                   | 730,179                  | -                          |
| 138,003                                     | 184,503             | 16,327              | 738,880                  | -                          |
| 4,043,837                                   | -                   | -                   | 4,043,837                | -                          |
| <u>5,746,181</u>                            | <u>1,785,476</u>    | <u>147,030</u>      | <u>32,318,153</u>        | <u>-</u>                   |
| <u>6,026,188</u>                            | <u>2,483,451</u>    | <u>309,784</u>      | <u>41,591,040</u>        | <u>184,973</u>             |
| 312,679                                     | 354,745             | 6,628               | 1,430,916                | -                          |
| 3,343                                       | 3,792               | 71                  | 15,297                   | -                          |
| <u>316,022</u>                              | <u>358,537</u>      | <u>6,699</u>        | <u>1,446,213</u>         | <u>-</u>                   |
| 1,037,128                                   | 165,593             | 1,174,379           | 27,530,238               | -                          |
| -                                           | -                   | -                   | 3,863,520                | -                          |
| 571,396                                     | -                   | -                   | 571,396                  | -                          |
| <u>(1,850,492)</u>                          | <u>(1,028,948)</u>  | <u>555,405</u>      | <u>5,511,130</u>         | <u>145,513</u>             |
| <u>(241,968)</u>                            | <u>(863,355)</u>    | <u>1,729,784</u>    | <u>37,476,284</u>        | <u>145,513</u>             |
| <u>\$ 6,100,242</u>                         | <u>\$ 1,978,633</u> | <u>\$ 2,046,267</u> | <u>\$ 80,513,537</u>     | <u>\$ 330,486</u>          |

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

**For the year ended September 30, 2022**

|                                         | <u>Business-Type Activities - Enterprise Funds</u> |                      |                     |
|-----------------------------------------|----------------------------------------------------|----------------------|---------------------|
|                                         | <u>Electric</u>                                    | <u>Water</u>         | <u>Golf</u>         |
| Operating revenues:                     |                                                    |                      |                     |
| Electric sales                          | \$ 12,818,988                                      | \$ -                 | \$ -                |
| Water sales                             | -                                                  | 5,265,546            | -                   |
| Sewer sales                             | -                                                  | 3,888,105            | -                   |
| Garbage collection and tipping fees     | -                                                  | -                    | -                   |
| EMS fees                                | -                                                  | -                    | -                   |
| Drainage utilities                      | -                                                  | -                    | -                   |
| Licenses and permits                    | 28,251                                             | 38,440               | -                   |
| Property taxes                          | -                                                  | -                    | -                   |
| Rents and royalties                     | 56,440                                             | 1,461                | -                   |
| Other revenue                           | 269,553                                            | 1,224,322            | (26)                |
| Total operating revenues                | <u>13,173,232</u>                                  | <u>10,417,874</u>    | <u>(26)</u>         |
| Operating expenses:                     |                                                    |                      |                     |
| Salaries and wages                      | 1,199,532                                          | 1,462,050            | 14,339              |
| Employee benefits                       | 255,489                                            | 491,248              | 3,749               |
| Contracted services                     | 80,013                                             | 34,548               | -                   |
| Other operating expenses                | 10,300,999                                         | 1,881,041            | 44,687              |
| Depreciation                            | 295,351                                            | 1,677,401            | 68,055              |
| Total operating expenses                | <u>12,131,384</u>                                  | <u>5,546,288</u>     | <u>130,830</u>      |
| Operating income (loss)                 | <u>1,041,848</u>                                   | <u>4,871,586</u>     | <u>(130,856)</u>    |
| Nonoperating revenues (expenses):       |                                                    |                      |                     |
| Investment income                       | 19,682                                             | 39,993               | 9                   |
| Interest expense                        | (38,784)                                           | (745,376)            | (12,229)            |
| Amortization of bond premium            | -                                                  | 36,271               | -                   |
| Bond issuance cost                      | -                                                  | -                    | -                   |
| Transfers to other funds                | (1,191,500)                                        | (940,500)            | -                   |
| Transfers from other funds              | -                                                  | -                    | 148,714             |
| Contributed capital                     | -                                                  | -                    | 33,022              |
| Gain (loss) on sale of fixed assets     | -                                                  | 41,705               | -                   |
| Total nonoperating revenues (expenses)  | <u>(1,210,602)</u>                                 | <u>(1,567,907)</u>   | <u>169,516</u>      |
| Changes in net position                 | (168,754)                                          | 3,303,679            | 38,660              |
| Total net position - beginning          | 3,345,459                                          | 28,828,212           | 1,503,182           |
| Prior period adjustment                 | 759                                                | 626                  | -                   |
| Total net position - beginning restated | <u>3,346,218</u>                                   | <u>28,828,838</u>    | <u>1,503,182</u>    |
| Total net position - ending             | <u>\$ 3,177,464</u>                                | <u>\$ 32,132,517</u> | <u>\$ 1,541,842</u> |

The accompanying notes are an integral part of these financial statements.

| Business-Type Activities - Enterprise Funds |                     |                     |                          | Governmental<br>Activities |
|---------------------------------------------|---------------------|---------------------|--------------------------|----------------------------|
| Landfill                                    | EMS                 | Drainage            | Enterprise Fund<br>Total | Internal<br>Service Fund   |
| \$ -                                        | \$ -                | \$ -                | \$ 12,818,988            | \$ -                       |
| -                                           | -                   | -                   | 5,265,546                | -                          |
| -                                           | -                   | -                   | 3,888,105                | -                          |
| 3,551,378                                   | -                   | -                   | 3,551,378                | -                          |
| -                                           | 1,934,024           | -                   | 1,934,024                | -                          |
| -                                           | -                   | 638,277             | 638,277                  | -                          |
| -                                           | -                   | -                   | 66,691                   | -                          |
| -                                           | -                   | -                   | -                        | -                          |
| -                                           | -                   | -                   | 57,901                   | -                          |
| 10,187                                      | 822,937             | 842                 | 2,327,815                | 2,204,207                  |
| <u>3,561,565</u>                            | <u>2,756,961</u>    | <u>639,119</u>      | <u>30,548,725</u>        | <u>2,204,207</u>           |
| 1,077,027                                   | 1,756,327           | 107,706             | 5,616,981                | -                          |
| 496,306                                     | 515,304             | -                   | 1,762,096                | -                          |
| 27,161                                      | 53,839              | 5,119               | 200,680                  | -                          |
| 1,058,271                                   | 957,241             | 108,646             | 14,350,885               | 2,350,355                  |
| 486,250                                     | 162,765             | 242,081             | 2,931,903                | -                          |
| <u>3,145,015</u>                            | <u>3,445,476</u>    | <u>463,552</u>      | <u>24,862,545</u>        | <u>2,350,355</u>           |
| 416,550                                     | (688,515)           | 175,567             | 5,686,180                | (146,148)                  |
| 20,995                                      | 1,486               | 4,039               | 86,204                   | 2,709                      |
| (8,754)                                     | (4,862)             | (4,919)             | (814,924)                | -                          |
| -                                           | -                   | -                   | 36,271                   | -                          |
| -                                           | -                   | -                   | -                        | -                          |
| (327,200)                                   | -                   | (57,900)            | (2,517,100)              | (100,000)                  |
| -                                           | 927,414             | -                   | 1,076,128                | 500,000                    |
| -                                           | -                   | -                   | 33,022                   | -                          |
| -                                           | -                   | -                   | 41,705                   | -                          |
| <u>(314,959)</u>                            | <u>924,038</u>      | <u>(58,780)</u>     | <u>(2,058,694)</u>       | <u>402,709</u>             |
| 101,591                                     | 235,523             | 116,787             | 3,627,486                | 256,561                    |
| (319,070)                                   | (1,101,243)         | 1,613,990           | 33,870,530               | (111,048)                  |
| (24,489)                                    | 2,365               | (993)               | (21,732)                 | -                          |
| <u>(343,559)</u>                            | <u>(1,098,878)</u>  | <u>1,612,997</u>    | <u>33,848,798</u>        | <u>-</u>                   |
| <u>\$ (241,968)</u>                         | <u>\$ (863,355)</u> | <u>\$ 1,729,784</u> | <u>\$ 37,476,284</u>     | <u>\$ 145,513</u>          |

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the year ended September 30, 2022

|                                                                      | Business-Type Activities - Enterprise Funds |                      |                   |
|----------------------------------------------------------------------|---------------------------------------------|----------------------|-------------------|
|                                                                      | Electric                                    | Water                | Golf              |
| Cash flows from operating activities:                                |                                             |                      |                   |
| Cash received from customers                                         | \$ 13,125,355                               | \$ 10,459,459        | \$ -              |
| Cash payments to employees for services                              | (1,747,853)                                 | (2,182,364)          | (21,909)          |
| Cash payments for suppliers                                          | (10,281,779)                                | (918,376)            | (140,293)         |
| Net cash provided (used) by operating activities                     | <u>1,095,723</u>                            | <u>7,358,719</u>     | <u>(162,202)</u>  |
| Cash flows from noncapital financing activities:                     |                                             |                      |                   |
| Operating transfers out                                              | (1,191,500)                                 | (940,500)            | -                 |
| Operating transfers in                                               | <u>-</u>                                    | <u>-</u>             | <u>148,714</u>    |
| Net cash provided (used) by noncapital financing activities          | <u>(1,191,500)</u>                          | <u>(940,500)</u>     | <u>148,714</u>    |
| Cash flows from capital and related financing activities:            |                                             |                      |                   |
| Acquisition of capital assets                                        | (1,186,502)                                 | (4,990,867)          | 33,022            |
| Capital lease proceeds                                               | 1,114,373                                   | 51,650               | -                 |
| Debt issuance proceeds                                               | -                                           | -                    | -                 |
| Principal paid on capital debt                                       | (504,909)                                   | (1,168,933)          | -                 |
| Interest paid on capital debt                                        | (41,223)                                    | (771,502)            | (12,229)          |
| Proceeds from the sale of capital assets                             | <u>-</u>                                    | <u>41,705</u>        | <u>-</u>          |
| Net cash provided (used) by capital and related financing activities | <u>(618,261)</u>                            | <u>(6,837,947)</u>   | <u>20,793</u>     |
| Cash flows from investing activities                                 |                                             |                      |                   |
| Interest received on investments                                     | 19,682                                      | 39,993               | 9                 |
| Net increase (decrease) in cash and cash equivalents                 | (694,356)                                   | (379,735)            | 7,314             |
| Cash and cash equivalents, beginning                                 | <u>2,155,573</u>                            | <u>14,164,731</u>    | <u>120,553</u>    |
| Cash and cash equivalents, ending                                    | <u>\$ 1,461,217</u>                         | <u>\$ 13,784,996</u> | <u>\$ 127,867</u> |

SCHEDULE OF NONCASH ACTIVITIES

|                                                             |            |            |          |
|-------------------------------------------------------------|------------|------------|----------|
| Actuarially determined change in net pension/OPEB liability | \$ 406,931 | \$ 340,787 | \$ 2,855 |
|-------------------------------------------------------------|------------|------------|----------|

The accompanying notes are an integral part of these financial statements.



| Business-Type Activities - Enterprise Funds |                    |                   |                          | Governmental<br>Activities |
|---------------------------------------------|--------------------|-------------------|--------------------------|----------------------------|
| Landfill                                    | EMS                | Drainage          | Enterprise Fund<br>Total | Internal<br>Service Fund   |
| \$ 3,535,139                                | \$ 2,551,257       | \$ 640,767        | \$ 30,311,977            | \$ 2,204,207               |
| (1,625,813)                                 | (2,505,231)        | (260,157)         | (8,343,327)              | -                          |
| <u>(661,103)</u>                            | <u>(1,059,771)</u> | <u>(121,403)</u>  | <u>(13,182,725)</u>      | <u>(2,370,742)</u>         |
| <u>1,248,223</u>                            | <u>(1,013,745)</u> | <u>259,207</u>    | <u>8,785,925</u>         | <u>(166,535)</u>           |
| (327,200)                                   | -                  | (57,900)          | (2,517,100)              | -                          |
| <u>-</u>                                    | <u>927,414</u>     | <u>-</u>          | <u>1,076,128</u>         | <u>400,000</u>             |
| <u>(327,200)</u>                            | <u>927,414</u>     | <u>(57,900)</u>   | <u>(1,440,972)</u>       | <u>400,000</u>             |
| (308,613)                                   | (48,553)           | (500,488)         | (7,002,001)              | -                          |
| 386,817                                     | 322,817            | 309,850           | 2,185,507                | -                          |
| -                                           | -                  | -                 | -                        | -                          |
| (68,763)                                    | (179,532)          | (166,914)         | (2,089,051)              | -                          |
| (6,545)                                     | (3,037)            | (3,167)           | (837,703)                | -                          |
| <u>-</u>                                    | <u>-</u>           | <u>-</u>          | <u>41,705</u>            | <u>-</u>                   |
| <u>2,896</u>                                | <u>91,695</u>      | <u>(360,719)</u>  | <u>(7,701,543)</u>       | <u>-</u>                   |
| 20,995                                      | 1,486              | 4,039             | 86,204                   | 2,709                      |
| 944,914                                     | 6,850              | (155,373)         | (270,386)                | 236,174                    |
| <u>2,294,202</u>                            | <u>479,990</u>     | <u>731,932</u>    | <u>19,946,981</u>        | <u>93,493</u>              |
| <u>\$ 3,239,116</u>                         | <u>\$ 486,840</u>  | <u>\$ 576,559</u> | <u>\$ 19,676,595</u>     | <u>\$ 329,667</u>          |

|            |            |            |              |      |
|------------|------------|------------|--------------|------|
| \$ 122,962 | \$ 384,122 | \$ 170,493 | \$ 1,428,150 | \$ - |
|------------|------------|------------|--------------|------|

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the year ended September 30, 2022

|                                                                                                          | Business-Type Activities - Enterprise Funds |                     |                     |
|----------------------------------------------------------------------------------------------------------|---------------------------------------------|---------------------|---------------------|
|                                                                                                          | Electric                                    | Water               | Golf                |
| Reconciliation of operating income to net cash provided by (used in) operating activities:               |                                             |                     |                     |
| Operating income (loss)                                                                                  | \$ 1,041,848                                | \$ 4,871,586        | \$ (130,856)        |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: |                                             |                     |                     |
| Depreciation                                                                                             | 295,351                                     | 1,677,401           | 68,055              |
| (Increase) decrease in operating assets:                                                                 |                                             |                     |                     |
| Accounts receivable                                                                                      | (69,258)                                    | 6,365               | (1,287)             |
| Interfund receivables                                                                                    | 47,807                                      | -                   | -                   |
| Due from other governments                                                                               | 21,381                                      | 35,220              | (93)                |
| Inventories                                                                                              | (279,074)                                   | (118,282)           | -                   |
| Increase (decrease) in operating liabilities:                                                            |                                             |                     |                     |
| Accounts payable                                                                                         | 274,995                                     | 1,111,920           | 6                   |
| Wages payable                                                                                            | (57,468)                                    | (81,191)            | (752)               |
| Interest payable                                                                                         | -                                           | -                   | -                   |
| Due to other funds                                                                                       | (200)                                       | 3,300               | (95,612)            |
| Due to other governments                                                                                 | 3,366                                       | -                   | -                   |
| Compensated absences payable                                                                             | 14,751                                      | 2,607               | (813)               |
| Net pension/OPEB liability                                                                               | (250,115)                                   | (150,482)           | (850)               |
| Landfill closure liability                                                                               | -                                           | -                   | -                   |
| Other current liabilities                                                                                | <u>52,339</u>                               | <u>275</u>          | <u>-</u>            |
| Net cash provided by operating activities                                                                | <u>\$ 1,095,723</u>                         | <u>\$ 7,358,719</u> | <u>\$ (162,202)</u> |

The accompanying notes are an integral part of these financial statements.

| Business-Type Activities - Enterprise Funds |                       |                   |                          | Governmental<br>Activities |
|---------------------------------------------|-----------------------|-------------------|--------------------------|----------------------------|
| Landfill                                    | EMS                   | Drainage          | Enterprise Fund<br>Total | Internal<br>Service Fund   |
| \$ 416,550                                  | \$ (688,515)          | \$ 175,567        | \$ 5,686,180             | \$ (146,148)               |
| 486,250                                     | 162,765               | 242,081           | 2,931,903                | -                          |
| (27,711)                                    | (239,678)             | (1,221)           | (332,790)                | (819)                      |
| 47,807                                      | -                     | -                 | 95,614                   | -                          |
| 1,285                                       | 33,974                | 2,869             | 94,636                   | -                          |
| -                                           | -                     | -                 | (397,356)                | -                          |
| 40,314                                      | (12,658)              | (12,638)          | 1,401,939                | (19,568)                   |
| (51,109)                                    | (51,945)              | (7,445)           | (249,910)                | -                          |
| -                                           | -                     | -                 | -                        | -                          |
| 3,200                                       | (26,886)              | 5,000             | (111,198)                | -                          |
| 251                                         | (9,147)               | -                 | (5,530)                  | -                          |
| (5,058)                                     | 40,798                | 10,461            | 62,746                   | -                          |
| 3,687                                       | (222,453)             | (155,467)         | (775,680)                | -                          |
| 331,957                                     | -                     | -                 | 331,957                  | -                          |
| 800                                         | -                     | -                 | 53,414                   | -                          |
| <u>\$ 1,248,223</u>                         | <u>\$ (1,013,745)</u> | <u>\$ 259,207</u> | <u>\$ 8,785,925</u>      | <u>\$ (166,535)</u>        |





**NOTES TO BASIC FINANCIAL STATEMENTS**



## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(1) Summary of significant accounting policies

The City of Fredericksburg, Texas, (the City), is a municipal corporation incorporated under Article XI, Section 4 of the Constitution of the State of Texas. The City operates under a Council-Manager form of government and provides such services as are authorized by its code of ordinances and its inhabitants. The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable.

Reporting entity

## Component unit

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations; thus, data from these units, if any existed, would be combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

The City of Fredericksburg has one component unit displayed as a discretely presented component unit. The Fredericksburg Convention and Visitor Bureau (the "Bureau") is governed by a Board of Directors comprised of 11 members. Each member is appointed by the City Council of the City of Fredericksburg. The Bureau also provides the City with financial information, as required by City Council. In addition, the annual budget for the Bureau must be approved by City Council.

The Bureau's mission is to create a positive business environment, take a leadership role in community affairs, be an information resource for its members, help in providing a better quality of life for its citizens and increase growth of the overnight tourism and meeting industry in Fredericksburg.

Complete financial statements for the component unit may be obtained at the Fredericksburg Convention and Visitor Bureau's administrative office, which is located at 302 E. Austin Street, Fredericksburg, Texas 78624.

Government-wide and fund financial statements

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the City and its component unit. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. The primary government is reported separately from the component unit within the government-wide statements.

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(1) Summary of significant accounting policies (continued)Government-wide and fund financial statements (continued)

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges of customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function 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 properly included among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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. This measurement focus is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Governmental fund level financial statements are reported using 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if 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, franchise taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(1) Summary of significant accounting policies (continued)Measurement focus, basis of accounting, and financial statement presentation (continued)

**Governmental funds** are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in the proprietary fund type) are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position, rather than upon net income determination.

The City reports the following major governmental fund:

The general fund is the general operating fund of the City and is always classified as a major fund. The general fund is used to account for all financial resources except those required to be accounted for in another fund.

**Proprietary funds** are used to account for activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income and capital maintenance.

The City reports the following major proprietary funds:

The electric fund is used to account for electrical operations that are intended to be self-supporting.

The water and sewer fund is used to account for operations that are intended to be self-supporting water and sewer services through user charges.

The golf course fund is used to account for the golf course operations that are intended to be self-supporting through user charges.

The solid waste fund is used to account for the sanitary landfill operations that are intended to be self-supporting.

The emergency medical service (EMS) fund is used to account for the joint EMS services with the County of Gillespie. The operations are intended to be self-supporting.

The drainage fund is used to account for the drainage services that are intended to be self-supporting.

Additionally, the City reports an internal service fund to account for health insurance services provided to the departments of the government on a cost reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and wastewater function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.



## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(1) Summary of significant accounting policies (continued)Measurement focus, basis of accounting, and financial statement presentation (continued)

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. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue 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.

Cash and investments

Cash and temporary investments consist of demand deposits and balances in public funds investment pools. Short-term investments are stated at cost.

For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement Number 31, the City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments, which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

Investments are stated at fair value and categorized by using the fair value hierarchy established by generally accepted accounting principles. The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(1) Summary of significant accounting policies (continued)Cash and investments (continued)

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable values or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Accounts 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 either "due to/from other funds" (i.e., the current portion of the interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). There were no balances that were considered "advanced to/from other funds" at September 30, 2022. All other outstanding balances between funds are reported 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 trade and property tax receivables are shown net of an 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 based on historical collection rates.

Property taxes are levied by October 1 in conformity with Subtitle E, Texas Property Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. The Gillespie Central Appraisal District ("GCAD") establishes appraised values. Taxes are levied by the City Council based on the appraised values received from the GCAD. The Gillespie Central Appraisal District Tax Assessor performs billings and collection of tax levies.

Inventories and prepaid items

The costs of governmental fund-type inventories 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 items.

Inventories in the proprietary funds are valued at cost (first-in, first-out method).

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(1) Summary of significant accounting policies (continued)Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets, (e.g. roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets such as equipment are defined as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u>                     | <u>Years</u>  |
|-----------------------------------|---------------|
| Buildings                         | 10 – 50 years |
| Improvements other than buildings | 10 – 50 years |
| Equipment                         | 5 – 15 years  |
| Infrastructure                    | 30 years      |

Compensated absences

It is the City's policy to permit employees to accumulate earned but unused personal time off (PTO). Vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Employees may only carry 480 hours of PTO over into the next calendar year. Expenditures are reported for these amounts.

Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed during the year of issuance of the related debt.

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.

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(1) Summary of significant accounting policies (continued)Fund balance

The City implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following 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 a spendable form (such as inventory) or are required to be maintained intact;
- 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 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.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. Assigned fund balance is delegated by the City Council to the City Manager.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City’s council or its designated official has provided otherwise in its commitments or assignment actions.

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(1) Summary of significant accounting policies (continued)Net position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 Texas Emergency Services Retirement System (TESRS) and additions to/deductions from TMRS's and TESRS's fiduciary net position have been determined on the same basis as they are reported by TMRS and TESRS. 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.

Other postemployment benefits (OPEB)

The OPEB liability has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB and OPEB expense.

Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform to the current year's presentation. The reclassifications did not change total assets and deferred outflows of resources, total liabilities and deferred inflows of resources, total fund equity, total revenue of funds and total expense/expenditures.



## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(2) Stewardship, compliance and accountabilityBudgetary information

The City Council follows the following procedures in establishing the budgetary data reflected in the financial statements:

- At least 30 days prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The proposed budget includes estimated revenue and proposed expenditures for the general fund.
- Public hearings are conducted to obtain taxpayer comments.
- The budget is legally adopted on a fund basis by the City Council.
- The City Council can adjust the budget during its formal City Council meetings.
- Actual expenditures cannot exceed the legally-adopted budget.
- Appropriations lapse at the end of the year.
- Budgets are adopted on a basis consistent with generally accepted accounting principles.

(3) Deposits and investments

As of September 30, 2022, the City had the following investments:

| Investment Type                                     | Fair Value    | Weighted Average Maturity (Days) |
|-----------------------------------------------------|---------------|----------------------------------|
| Investments recorded as cash equivalents            |               |                                  |
| TexPool - valued at amortized cost                  | \$ 479,649    | 34                               |
| Total investments recorded as cash equivalents      | 479,649       |                                  |
| Cash at bank                                        | 37,381,193    |                                  |
| Cash on-hand                                        | 5,230         |                                  |
| Total cash and cash equivalents                     | \$ 37,866,072 |                                  |
| Investments                                         |               |                                  |
| Certificates of deposits - valued at amortized cost | \$ 1,150,000  | 280                              |
| Portfolio weighted average maturity                 |               | 212                              |

The City's investment pools are 2a7-like pools. A 2a7 like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(3) Deposits and investments (continued)

*Interest rate risk.* In accordance with its investment policy, the City manages its exposure to declines in fair market values by maintaining a weighted average days to maturity for the operating fund portfolio of less than 360 days. The maximum allowable maturity for any investment is 3 years.

*Custodial credit risk.* 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. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2022, the City had cash deposits at the bank of \$33,834,234. The total fair market value of pledged securities held as collateral amounted to \$39,466,89. In addition, \$250,000 of the deposits are covered by FDIC coverage.

*Credit risk.* It is the City's policy to limit its investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. The City's investments as of September 30, 2022, were rated as follows:

| Investment Type | Rating | Rating Agency       |
|-----------------|--------|---------------------|
| TexPool         | AAAm   | Standard and Poor's |

Under provisions of state and local statutes, the City's investment policies, and provisions of the City's depository contracts with an area financial institution, the City is authorized to place available deposits and investments in the following:

- Obligations of the U.S., its agencies and instrumentalities;
- Certificates of deposit issued by state and national banks or savings or loan associations domiciled in this state that are guaranteed or insured by the Federal Deposit Insurance Corporation or collateralized in accordance with Section 2256.010, the Texas Government Code, in face amount not to exceed \$250,000;
- No load money market mutual funds; and
- TexPool, Lone Star Investment Pool and MBIA Class.

The City Council has adopted a written investment policy regarding the investments of its funds as defined by the Public Funds Investment Act of 1995 (Chapter 2256, Texas Government Code). The investments of the City are in compliance with the Council's investment policies. The City did not have any derivative investment products during the current year. All significant legal and contractual provisions for investments were complied with during the year. Investments at year end are representative of the types of investments maintained by the City during the year.

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(4) Receivables

Receivables as of year end for the government's individual major funds, nonmajor funds and enterprise funds, including the applicable allowances for uncollectible accounts, are as follows:

|                                    | Government<br>Funds | Enterprises Funds   |                   |                 |                   |                   |                  |                     |
|------------------------------------|---------------------|---------------------|-------------------|-----------------|-------------------|-------------------|------------------|---------------------|
|                                    | General             | Electric            | Water             | Golf            | Landfill          | EMS               | Drainage         | Totals              |
| Taxes                              | \$ 2,829,153        | \$ -                | \$ -              | \$ -            | \$ -              | \$ -              | \$ -             | \$ 2,829,153        |
| Due from other governments         | 189,587             | 5,309               | 6,388             | 357             | 100               | 42,707            | 224              | 244,672             |
| Customer accounts                  | 84,755              | 1,193,603           | 867,968           | 3,493           | 355,881           | 832,222           | 55,393           | 3,393,315           |
| Interest                           | 1,678               | -                   | 432               | -               | 26                | -                 | -                | 2,136               |
| Gross receivables                  | 3,105,173           | 1,198,912           | 874,788           | 3,850           | 356,007           | 874,929           | 55,617           | 6,469,276           |
| Less: allowance for uncollectibles | 17,024              | 28,725              | 24,011            | -               | 60,604            | 121,429           | 560              | 252,353             |
| Net total receivables              | <u>\$ 3,088,149</u> | <u>\$ 1,170,187</u> | <u>\$ 850,777</u> | <u>\$ 3,850</u> | <u>\$ 295,403</u> | <u>\$ 753,500</u> | <u>\$ 55,057</u> | <u>\$ 6,216,923</u> |

(5) Capital assets

Capital asset activity for the year ended September 30, 2022, was as follows:

|                                             | Beginning<br>Balance | Increase            | Decrease          | Ending<br>Balance    |
|---------------------------------------------|----------------------|---------------------|-------------------|----------------------|
| Governmental activities:                    |                      |                     |                   |                      |
| Capital assets, not being depreciated:      |                      |                     |                   |                      |
| Land                                        | \$ 7,583,656         | \$ 5,000            | \$ (5,500)        | \$ 7,583,156         |
| Total capital assets, not being depreciated | <u>7,583,656</u>     | <u>5,000</u>        | <u>(5,500)</u>    | <u>7,583,156</u>     |
| Capital assets, being depreciated:          |                      |                     |                   |                      |
| Buildings                                   | 10,027,905           | 262,294             | -                 | 10,290,199           |
| Improvements other than buildings           | 21,491,133           | 1,219,166           | -                 | 22,710,299           |
| Equipment                                   | 8,406,992            | 1,264,939           | (304,666)         | 9,367,265            |
| Right to use assets - equipment             | <u>993,781</u>       | <u>-</u>            | <u>-</u>          | <u>993,781</u>       |
| Total capital assets, being depreciated     | <u>40,919,811</u>    | <u>2,746,399</u>    | <u>(304,666)</u>  | <u>43,361,544</u>    |
| Less accumulated depreciation:              |                      |                     |                   |                      |
| Buildings                                   | (5,812,896)          | (143,054)           | 304,666           | (5,651,284)          |
| Improvements other than buildings           | (12,614,900)         | (897,264)           | -                 | (13,512,164)         |
| Equipment                                   | (6,482,804)          | (506,752)           | -                 | (6,989,556)          |
| Right to use assets - equipment             | <u>(339,936)</u>     | <u>(170,752)</u>    | <u>-</u>          | <u>(510,688)</u>     |
| Total accumulated depreciation              | <u>(25,250,536)</u>  | <u>(1,717,822)</u>  | <u>304,666</u>    | <u>(26,663,692)</u>  |
| Total capital assets being depreciated, net | <u>15,669,275</u>    | <u>1,028,577</u>    | <u>-</u>          | <u>16,697,852</u>    |
| Governmental activities capital assets, net | <u>\$ 23,252,931</u> | <u>\$ 1,033,577</u> | <u>\$ (5,500)</u> | <u>\$ 24,281,008</u> |

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(5) Capital assets (continued)

|                                             | Beginning<br>Balance | Increase     | Decrease | Ending<br>Balance |
|---------------------------------------------|----------------------|--------------|----------|-------------------|
| Business-type activities:                   |                      |              |          |                   |
| Capital assets, not being depreciated:      |                      |              |          |                   |
| Land                                        | \$ 1,126,948         | \$ -         | \$ -     | \$ 1,126,948      |
| Total capital assets, not being depreciated | 1,126,948            | -            | -        | 1,126,948         |
| Capital assets, being depreciated:          |                      |              |          |                   |
| Buildings and improvements                  | 9,329,206            | -            | -        | 9,329,206         |
| Improvements other than buildings           | 14,592,346           | -            | -        | 14,592,346        |
| Equipment                                   | 73,002,330           | 5,607,703    | (57,784) | 78,552,249        |
| Right to use assets - equipment             | 716,660              | -            | -        | 716,660           |
| Total capital assets, being depreciated     | 97,640,542           | 5,607,703    | (57,784) | 103,190,461       |
| Less accumulated depreciation:              |                      |              |          |                   |
| Buildings and improvements                  | (5,936,193)          | (65,274)     | -        | (6,001,467)       |
| Improvements other than buildings           | (5,239,932)          | (153,100)    | -        | (5,393,032)       |
| Equipment                                   | (36,738,354)         | (2,803,218)  | 57,784   | (39,483,788)      |
| Right to use assets - equipment             | (301,355)            | (113,559)    | -        | (414,914)         |
| Total accumulated depreciation              | (48,215,834)         | (3,135,151)  | 57,784   | (51,293,201)      |
| Total capital assets being depreciated, net | 49,424,708           | 2,472,552    | -        | 51,897,260        |
| Business-type capital assets, net           | \$ 50,551,656        | \$ 2,472,552 | \$ -     | \$ 53,024,208     |

Depreciation expense was charged to the governmental functions as follows:

|                                                      |              |
|------------------------------------------------------|--------------|
| Governmental activities:                             |              |
| Administration                                       | \$ 24,083    |
| Police                                               | 317,929      |
| Fire                                                 | 30,857       |
| Streets                                              | 741,672      |
| Parks                                                | 560,520      |
| Health                                               | 1,374        |
| Engineering                                          | 14,204       |
| Emergency management                                 | 7,962        |
| Tourism                                              | 19,221       |
| Total depreciation expense - governmental activities | \$ 1,717,822 |

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(5) Capital assets (continued)

## Business-type activities

|                    |    |                |
|--------------------|----|----------------|
| Electric           | \$ | 370,153        |
| Water and sewer    |    | 1,808,492      |
| Golf               |    | 104,037        |
| Landfill           |    | 586,990        |
| EMS                |    | 205,127        |
| Drainage utilities |    | <u>325,755</u> |

|                                                       |    |                  |
|-------------------------------------------------------|----|------------------|
| Total depreciation expense - business-type activities | \$ | <u>3,400,554</u> |
|-------------------------------------------------------|----|------------------|

(6) Interfund receivables, payables and transfers

|                                 | Due To              | Due From            |
|---------------------------------|---------------------|---------------------|
| General fund:                   |                     |                     |
| Electric - in lieu of taxes     | \$ -                | \$ 91,600           |
| Water - in lieu of taxes        | -                   | 83,000              |
| Landfill - in lieu of taxes     | -                   | 28,000              |
| Drainage - in lieu of taxes     | -                   | 5,000               |
| EMS                             | -                   | 286,935             |
| Drainage                        | 259                 | -                   |
| Emergency management            | -                   | -                   |
| Debt service                    | 6,548               | 26,521              |
| Electric fund:                  |                     |                     |
| General fund - in lieu of taxes | 91,600              | -                   |
| Golf                            | -                   | 585,538             |
| Water and sewer fund:           |                     |                     |
| General fund - in lieu of taxes | 83,000              | -                   |
| Golf fund:                      |                     |                     |
| Electric                        | 585,538             | -                   |
| Landfill                        | 585,538             | -                   |
| Landfill:                       |                     |                     |
| General fund - in lieu of taxes | 28,000              | -                   |
| Golf                            | -                   | 585,538             |
| EMS:                            |                     |                     |
| General fund                    | 286,935             | -                   |
| Drainage fund:                  |                     |                     |
| General fund                    | -                   | 259                 |
| General fund - in lieu of taxes | 5,000               | -                   |
| Debt service:                   |                     |                     |
| General fund                    | 26,521              | 6,548               |
| Capital projects                | 2,500               | -                   |
| Capital projects:               |                     |                     |
| Debt service                    | <u>-</u>            | <u>2,500</u>        |
| Total due to / due from         | <u>\$ 1,701,439</u> | <u>\$ 1,701,439</u> |



## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(6) Interfund receivables, payables and transfers (continued)

The balances of \$585,538 due to the electric fund and the solid waste fund represent amounts that were lent to the golf course to fund 2011-12 renovations to the golf course. The note's terms include a 1% annual interest rate and a twenty year amortization period with a 10/1/2034 maturity date.

All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and payments between funds are made.

|                        | Transfers In        | Transfers Out       |
|------------------------|---------------------|---------------------|
| General fund:          |                     |                     |
| Electric               | \$ 1,191,500        | \$ -                |
| Water and sewer        | 940,500             | -                   |
| Landfill               | 327,200             | -                   |
| Drainage               | 57,900              | -                   |
| EMS                    | -                   | 927,414             |
| Golf                   | -                   | 148,714             |
| Internal service fund  | 100,000             | 500,000             |
| Debt service fund:     |                     |                     |
| Capital projects fund  | -                   | -                   |
| Capital projects fund: |                     |                     |
| Debt service fund      | -                   | -                   |
| Electric fund:         |                     |                     |
| General fund           | -                   | 1,191,500           |
| Water and sewer fund:  |                     |                     |
| General fund           | -                   | 940,500             |
| Landfill:              |                     |                     |
| General fund           | -                   | 327,200             |
| Drainage fund:         |                     |                     |
| General fund           | -                   | 57,900              |
| EMS:                   |                     |                     |
| General fund           | 927,414             | -                   |
| Golf:                  |                     |                     |
| General fund           | 148,714             | -                   |
| Internal service fund: |                     |                     |
| General fund           | 500,000             | 100,000             |
| Total transfers        | <u>\$ 4,193,228</u> | <u>\$ 4,193,228</u> |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as the debt service payments become due, (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(6) Interfund receivables, payables and transfers (continued)

In the year ended September 30, 2022, the City made payments from various funds to the general fund in lieu of taxes. GASB 34 requires that these payments be treated as transfers. Transfers were made from the following funds:

|                 |                     |
|-----------------|---------------------|
| Electric        | \$ 1,191,500        |
| Water and sewer | 940,500             |
| Landfill        | 327,200             |
| Drainage        | <u>57,900</u>       |
| Total           | <u>\$ 2,517,100</u> |

(7) Capital leases – direct borrowing

The government has acquired certain capital assets for governmental and business-type activities through the use of lease purchase agreements. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2022 were as follows:

| <u>Year Ending<br/>September 30,</u>    | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> |
|-----------------------------------------|------------------------------------|-------------------------------------|
| 2023                                    | \$ 291,894                         | \$ 1,055,171                        |
| 2024                                    | 291,894                            | 591,844                             |
| 2025                                    | 181,898                            | 227,376                             |
| 2026                                    | 181,899                            | -                                   |
| 2027                                    | 181,899                            | -                                   |
| Thereafter                              | <u>145,103</u>                     | <u>-</u>                            |
| Total minimum lease payments            | 1,274,587                          | 1,874,391                           |
| Less: amount representing interest      | <u>67,750</u>                      | <u>37,875</u>                       |
| Present value of minimum lease payments | <u>\$ 1,206,837</u>                | <u>\$ 1,836,516</u>                 |

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(8) Long-term liabilities

The long-term liability activity for the year ended September 30, 2022, was as follows:

|                                | Outstanding<br>October 1,<br>2021 | Increases    | Decreases      | Balance<br>September 30,<br>2022 | Amounts<br>Due in<br>One Year |
|--------------------------------|-----------------------------------|--------------|----------------|----------------------------------|-------------------------------|
| Governmental activities:       |                                   |              |                |                                  |                               |
| General obligation bonds       | \$ 1,985,000                      | \$ -         | \$ (155,000)   | \$ 1,830,000                     | \$ 160,000                    |
| Unlimited tax notes            | 3,830,000                         | -            | (500,000)      | 3,330,000                        | 510,000                       |
| Add: unamortized premiums      | 86,597                            | -            | (7,873)        | 78,724                           | 7,873                         |
| Total bonds payable            | 5,901,597                         | -            | (662,873)      | 5,238,724                        | 677,873                       |
| Capitalized leases             | 685,312                           | 876,811      | (355,286)      | 1,206,837                        | 271,068                       |
| Leases - right to use assets   | 764,274                           | -            | (143,508)      | 620,766                          |                               |
| Compensated absences           | 852,095                           | 353,078      | (237,316)      | 967,857                          | 241,964                       |
| Total governmental activities  | 8,203,278                         | 1,229,889    | (1,398,983)    | 8,034,184                        | 1,190,905                     |
| Business-type activities:      |                                   |              |                |                                  |                               |
| Revenue bonds and notes:       |                                   |              |                |                                  |                               |
| Revenue bonds                  | 20,440,000                        | -            | (885,000)      | 19,555,000                       | 915,000                       |
| Revenue tax notes              | 1,755,000                         | -            | (270,000)      | 1,485,000                        | 360,000                       |
| Add: unamortized premium       | 780,450                           | -            | (50,271)       | 730,179                          | 45,909                        |
| Total revenue bonds and notes  | 22,975,450                        | -            | (1,205,271)    | 21,770,179                       | 1,320,909                     |
| Capitalized leases             | 2,117,473                         | 1,082,879    | (1,363,836)    | 1,836,516                        | 1,024,615                     |
| Leases - right to use assets   | 437,036                           | -            | (98,154)       | 338,882                          |                               |
| Compensated absences           | 676,134                           | 160,902      | (98,156)       | 738,880                          | 184,720                       |
| Total business-type activities | 25,769,057                        | 1,243,781    | (2,667,263)    | 24,684,457                       | 2,530,244                     |
| Total long-term liabilities    | \$ 33,972,335                     | \$ 2,473,670 | \$ (4,066,246) | \$ 32,718,641                    | \$ 3,721,149                  |

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(8) Long-term liabilities (continued):

Governmental activities long-term liabilities at September 30, 2022, consisted of the following:

| Series                                           | Governmental Activities |               |                  |
|--------------------------------------------------|-------------------------|---------------|------------------|
|                                                  | Original Issue          | Interest Rate | Debt Outstanding |
| 2012 general obligation bonds - privately placed | \$ 3,200,000            | 2.88%         | \$ 1,830,000     |
| 2016 limited tax notes - privately placed        | 1,530,000               | 1.39%         | 350,000          |
| 2017 tax and limited pledge rev CO's             | 3,530,000               | 3.00%         | 2,980,000        |
| Totals                                           | \$ 11,864,164           |               | \$ 5,160,000     |

Compensated absences are generally liquidated by the general fund. The funds utilized for the repayment of long-term liabilities for governmental activities are the debt service fund and the general fund.

Business-type activities long-term liabilities at September 30, 2022, consisted of the following:

| Series                                          | Business-Type Activities |               |                  |
|-------------------------------------------------|--------------------------|---------------|------------------|
|                                                 | Original Issue           | Interest Rate | Debt Outstanding |
| 2018 revenue bonds                              | \$ 17,305,000            | 2.07-3.87%    | \$ 15,145,000    |
| 2020 revenue refunding bonds - privately placed | 5,120,000                | 1.850%        | 4,410,000        |
| 2020 revenue notes - privately placed           | 2,300,000                | 1.775%        | 1,485,000        |
| Totals                                          | \$ 35,175,836            |               | \$ 21,040,000    |

The annual debt service requirements to be paid on governmental activities long-term debt outstanding at September 30, 2022, are as follows:

| Fiscal Year | Governmental Activities |            |              |                       |            |              |              |              |              |
|-------------|-------------------------|------------|--------------|-----------------------|------------|--------------|--------------|--------------|--------------|
|             | Bonds Payable           |            |              | Privately Placed Debt |            |              | Total        |              |              |
|             | Principal               | Interest   | Total        | Principal             | Interest   | Total        | Principal    | Interest     | Total        |
| 2023        | \$ 160,000              | \$ 91,675  | \$ 251,675   | \$ 510,000            | \$ 53,105  | \$ 563,105   | \$ 670,000   | \$ 144,780   | \$ 814,780   |
| 2024        | 165,000                 | 86,800     | 251,800      | 165,000               | 45,674     | 210,674      | 330,000      | 132,474      | 462,474      |
| 2025        | 170,000                 | 81,775     | 251,775      | 170,000               | 40,855     | 210,855      | 340,000      | 122,630      | 462,630      |
| 2026        | 175,000                 | 76,599     | 251,599      | 175,000               | 35,892     | 210,892      | 350,000      | 112,491      | 462,491      |
| 2027        | 180,000                 | 71,274     | 251,274      | 180,000               | 30,785     | 210,785      | 360,000      | 102,059      | 462,059      |
| 2028-2032   | 980,000                 | 271,170    | 1,251,170    | 980,000               | 72,214     | 1,052,214    | 1,960,000    | 343,384      | 2,303,384    |
| 2033-2037   | 1,150,000               | 102,883    | 1,252,883    | -                     | -          | -            | 1,150,000    | 102,883      | 1,252,883    |
| Totals      | \$ 2,980,000            | \$ 782,176 | \$ 3,762,176 | \$ 2,180,000          | \$ 278,525 | \$ 2,458,525 | \$ 5,160,000 | \$ 1,060,701 | \$ 6,220,701 |

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(8) Long-term liabilities (continued):

The annual debt service requirements to be paid on business-type activities long-term debt outstanding at September 30, 2022, are as follows:

| Fiscal Year | Business-Type Activities |                     |                      |                       |                   |                     |                      |                     |                      |
|-------------|--------------------------|---------------------|----------------------|-----------------------|-------------------|---------------------|----------------------|---------------------|----------------------|
|             | Bonds Payable            |                     |                      | Privately Placed Debt |                   |                     | Total                |                     |                      |
|             | Principal                | Interest            | Total                | Principal             | Interest          | Total               | Principal            | Interest            | Total                |
| 2023        | \$ 550,000               | \$ 631,075          | \$ 1,181,075         | \$ 725,000            | \$ 104,568        | \$ 829,568          | \$ 1,275,000         | \$ 735,643          | \$ 2,010,643         |
| 2024        | 570,000                  | 611,475             | 1,181,475            | 740,000               | 91,379            | 831,379             | 1,310,000            | 702,854             | 2,012,854            |
| 2025        | 600,000                  | 586,500             | 1,186,500            | 750,000               | 77,920            | 827,920             | 1,350,000            | 664,420             | 2,014,420            |
| 2026        | 620,000                  | 556,000             | 1,176,000            | 765,000               | 64,234            | 829,234             | 1,385,000            | 620,234             | 2,005,234            |
| 2027        | 655,000                  | 524,125             | 1,179,125            | 395,000               | 50,274            | 445,274             | 1,050,000            | 574,399             | 1,624,399            |
| 2028-2032   | 3,800,000                | 2,097,325           | 5,897,325            | 2,080,000             | 138,195           | 2,218,195           | 5,880,000            | 2,235,520           | 8,115,520            |
| 2033-2037   | 6,730,000                | 1,057,400           | 7,787,400            | 440,000               | 4,070             | 444,070             | 7,170,000            | 1,061,470           | 8,231,470            |
| 2038        | 1,620,000                | 32,400              | 1,652,400            | -                     | -                 | -                   | 1,620,000            | 32,400              | 1,652,400            |
| Totals      | <u>\$ 15,145,000</u>     | <u>\$ 6,096,300</u> | <u>\$ 21,241,300</u> | <u>\$ 5,895,000</u>   | <u>\$ 530,640</u> | <u>\$ 6,425,640</u> | <u>\$ 21,040,000</u> | <u>\$ 6,626,940</u> | <u>\$ 27,666,940</u> |

New note



## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(9) Defined benefit pension planPlan description

The City participates as one of 901 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan 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 employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor appointed Board of Trustees; however, TMRS does not receive any federal funding from the State of Texas. TMRS issues a publicly available annual comprehensive financial report that can be obtained at [www.tmr.com](http://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 member's benefit is calculated based on the sum of the member's contributions, with interest, and the City-financed monetary credits with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contribution and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Members are eligible to retire at age sixty (60) and above with five (5) or more years of service or with twenty (20) years of service regardless of age. A member is vested after five (5) years. The contribution rate for the employees is 7%, and the City matching percent is currently 2 to 1.

**Employees covered by benefit terms**

At the December 31, 2021 valuation and measurement dates, the following employees were covered by the benefit terms:

|                                                                  |                   |
|------------------------------------------------------------------|-------------------|
| Inactive employees or beneficiaries currently receiving benefits | 123               |
| Inactive employees entitled to but not yet receiving benefits    | 69                |
| Active employees                                                 | <u>171</u>        |
| Total                                                            | <u><u>363</u></u> |

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(9) Defined benefit pension plan (continued)Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, 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 City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City were 22.28% and 16.92% for calendar years 2022 and 2021 respectively. The City's contributions to TMRS for the year ended September 30, 2022 and 2021 were \$2,822,429 and \$2,309,826 and were equal to the required contributions in 2022 and 2021, respectively.

Net pension liability

The City's net pension liability (NPL) was measured as of December 31, 2021, 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, 2021 actuarial valuation was determined using the following actuarial assumptions:

|                             |                                                                    |
|-----------------------------|--------------------------------------------------------------------|
| Inflation                   | 2.5% per year                                                      |
| Overall payroll growth      | 2.75% per year, adjusted down for population declines, if any      |
| Investment rate of return * | 6.75%, net of pension plan investment expense, including inflation |

\* Presented net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB (10) mortality tables with the Public Safety table used for males and the general employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(9) Defined benefit pension plan (continued)Net pension liability (continued)

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 through December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for annuity purchase rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. 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.

The target allocation and best estimate of real rates of return for each major asset class in fiscal year 2021 are summarized in the following table:

| <u>Asset Class</u>               | <u>Target<br/>Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return<br/>(Arithmetic)</u> |
|----------------------------------|------------------------------|------------------------------------------------------------------------|
| Global Equity                    | 35.00%                       | 7.55%                                                                  |
| Core Fixed Income                | 6.00%                        | 2.00%                                                                  |
| Non-Core Fixed Income            | 20.00%                       | 5.60%                                                                  |
| Other public and private markets | 12.00%                       | 7.22%                                                                  |
| Real Estate                      | 12.00%                       | 6.85%                                                                  |
| Hedge funds                      | 5.00%                        | 5.35%                                                                  |
| Private Equity                   | 10.00%                       | 10.00%                                                                 |
| Total                            | <u>100.00%</u>               |                                                                        |

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(9) Defined benefit pension plan (continued)Net pension liability (continued)**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 member 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 members. 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.

**Changes in net pension liability**

The schedule below presents the changes in the net pension liability (asset) as of December 31, 2021:

|                                                                  | Increase (Decrease)               |                                       |                                       |
|------------------------------------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
|                                                                  | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability<br>(a) - (b) |
| Balance at December 31, 2020                                     | \$ 64,079,123                     | \$ 48,548,447                         | \$ 15,530,676                         |
| Changes for the year:                                            |                                   |                                       |                                       |
| Service cost                                                     | 1,963,090                         | -                                     | 1,963,090                             |
| Interest                                                         | 4,310,479                         | -                                     | 4,310,479                             |
| Changes in current period benefits                               | -                                 | -                                     | -                                     |
| Difference between expected and<br>actual experience             | 534,109                           | -                                     | 534,109                               |
| Changes of assumptions                                           | -                                 | -                                     | -                                     |
| Contributions - employer                                         | -                                 | 2,506,293                             | (2,506,293)                           |
| Contributions - employee                                         | -                                 | 802,197                               | (802,197)                             |
| Net investment income                                            | -                                 | 6,330,327                             | (6,330,327)                           |
| Benefit payments, including refunds<br>of employee contributions | (2,403,440)                       | (2,403,440)                           | -                                     |
| Administrative expense                                           | -                                 | (29,284)                              | 29,284                                |
| Other changes                                                    | -                                 | 199                                   | (199)                                 |
| Net changes                                                      | <u>4,404,238</u>                  | <u>7,206,292</u>                      | <u>(2,802,054)</u>                    |
| Balance at December 31, 2021                                     | <u>\$ 68,483,361</u>              | <u>\$ 55,754,739</u>                  | <u>\$ 12,728,622</u>                  |

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(9) Defined benefit pension plan (continued)Net pension liability (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% Decrease in<br>Discount Rate (5.75%) | Discount Rate (6.75%) | 1% Increase in<br>Discount Rate (7.75%) |
|------------------------------|-----------------------------------------|-----------------------|-----------------------------------------|
| City's net pension liability | \$ 21,867,903                           | \$ 12,728,622         | \$ 5,128,636                            |

**Pension plan fiduciary net position**

Detailed information about the pension plan's fiduciary net position is available in the schedule of changes in fiduciary net position, by participant city. The report may be obtained on the internet at [www.tnrs.com](http://www.tnrs.com).

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended September 30, 2022, the City recognized pension expense of \$1,446,610.

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                             | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|-------------------------------------------------------------|-----------------------------------|----------------------------------|
| Difference between expected and actual economic experience  | \$ 775,323                        | \$ 22,661                        |
| Changes in actuarial assumptions                            | -                                 | 23,574                           |
| Difference between projected and actual investment earnings | -                                 | 3,235,988                        |
| Contributions subsequent to the measurement date            | 2,131,272                         | -                                |
| Total                                                       | <u>\$ 2,906,595</u>               | <u>\$ 3,282,223</u>              |



## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(9) Defined benefit pension plan (continued)Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

\$2,131,272 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended |                       |
|------------|-----------------------|
| 2023       | \$ (329,464)          |
| 2024       | (1,118,380)           |
| 2025       | (528,920)             |
| 2026       | (530,136)             |
| 2027       | -                     |
| Thereafter | -                     |
| Total      | <u>\$ (2,506,900)</u> |

(10) Texas Emergency Services Retirement SystemBackground and reporting entity

The Texas Emergency Services Retirement System (TESRS) is an agency of the State of Texas and its financial records comply with state statutes and regulations. The nine member Board of Trustees, appointed by the Governor, establishes policy for the administration of the Texas Emergency Services Retirement System.

The TESRS was created as a standalone agency by the 83<sup>rd</sup> Legislature via the passage of HB 220, effective September 1, 2013, to assume the functions of the abolished Office of the Fire Fighter's Pension Commissioner. While the agency is new, the system has been in existence since 1977. TESRS, which is under the authority of Title 8 Subtitle H, Chapters 861-865 of the Texas Government Code, provides death and disability benefits to active volunteer fire fighters and first responders, and a pension to members with vested services, as well as their survivor/beneficiaries. For financial reporting purposes, the State of Texas is considered the primary reporting government. TESRS' financial statements are included in the State's Annual Comprehensive Financial Report. TESRS issues a publicly available Annual Financial Report, which includes financial statements, notes, and required supplementary information, which can be obtained at [www.tesrs.org](http://www.tesrs.org). The separately issued actuarial valuation which may be of interest are also available at the same link.

Information that is available in the annual financial report is not repeated in the allocation schedules and related notes.

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(10) Texas Emergency Services Retirement System (continued)Background and reporting entity (continued)

The preparation of the schedules of participating department allocations and collective pension amounts in conformity with accounting principles generally accepted in the United States of America requires management to make significant estimates and assumptions that affect the reported amounts during the reporting period. Actual results could differ from those estimates.

Schedule of participating department allocations

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions are set by board rule, and there is no maximum contribution rate.

Participating department contributions for the fiscal year ended August 31, 2022 were used for purposes of preparing the allocation schedule. Adjustments were made in the following circumstances, with the treatment detailed below:

- For newly participating departments, lump sum contributions were eliminated and contributions were annualized;
- MTES contributions for legacy departments were eliminated;
- Prior service buybacks were eliminated
- Interest on contributions and administrative penalties were eliminated
- 13<sup>th</sup> checks, which are passed directly through to the participants, were eliminated.

TESRS has prepared the schedule of collective pension amounts. The collective pension expense based on TESRS' fiscal year ended August 31, 2021 is shown in the following table:

|                                                                                       |                  |
|---------------------------------------------------------------------------------------|------------------|
| Service cost                                                                          | \$ 8,607         |
| Interest                                                                              | 63,566           |
| Projected earnings on pension plan investments                                        | (59,295)         |
| Amortization of differences between projected and actual earnings on plan investments | 18,258           |
| Amortization of changes of assumptions                                                | (760)            |
| Amortizations of differences between expected and actual experience                   | 2,797            |
| Pension plan administrative expense                                                   | 1,335            |
| Changes in benefit provisions                                                         | 13,434           |
| Total pension expense                                                                 | <u>\$ 47,942</u> |

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(10) Texas Emergency Services Retirement System (continued)Schedule of participating department allocations (continued)

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to TESRS pensions from the following sources:

|                                                             | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|-------------------------------------------------------------|-----------------------------------|----------------------------------|
| Difference between expected and actual economic experience  | \$ 8,637                          | \$ -                             |
| Changes in actuarial assumptions                            | -                                 | 1,141                            |
| Difference between projected and actual investment earnings | 83,676                            | -                                |
| Contributions subsequent to the measurement date            | <u>26,880</u>                     | <u>-</u>                         |
| Total                                                       | <u>\$ 119,193</u>                 | <u>\$ 1,141</u>                  |

Amounts reported a deferred outflows of resources related to pensions will be recognized in pension expense in future years as follows:

| Fiscal Year Ended<br>August 31, |                  |
|---------------------------------|------------------|
| 2023                            | \$ 26,307        |
| 2024                            | 16,330           |
| 2025                            | 17,051           |
| 2026                            | <u>31,484</u>    |
| Total                           | <u>\$ 91,172</u> |

Each participating department will need to calculate two additional types of deferred outflows of resources and deferred inflows of resources, which are participating department specific amounts. These amounts relate to differences between actual contributions made by a participating department and their proportionate share of total contributions calculated based on the allocation percentage.

The participating department's proportionate share of the collective pension expense for its fiscal year ended between September 1, 2021 and August 31, 2022 is equal to the collective pension expense multiplied by the participating department's allocation percentage for TESRS's fiscal year ended August 31, 2021 as shown in the schedule of participating department allocations. The City's allocation percentage is 0.543%. The proportionate share of the City's net pension liability at September 30, 2022 was \$226,896. Contributions at fiscal year September 30, 2022 were \$32,880.

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(11) Other postemployment benefit planPlan description

The City participates in a single-employer defined benefit plan, which operates like a group-term life insurance plan operated by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired members. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Benefit provided

The death benefit for active members provides a lump-sum payment approximately equal to the member's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired members are insured for \$7,500; this coverage is an "other postemployment benefit" or OPEB. 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).

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the City. There is a one year delay between the actuarial valuation that serves as the basis for the City's contribution rate and the calendar year when the rate goes into effect. 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 retiree term life insurance during employees' entire careers.

The contribution rate for the City was 0.25% and 0.24% for calendar years 2022 and 2021, respectively. The City's contributions to TMRS were \$31,499 and \$26,934 for the SDBF program for the fiscal year ended September 30, 2022 and 2021, respectively, and were equal to the required contributions.

**Employees covered by benefit terms**

At the December 31, 2021 valuation and measurement dates, the following employees were covered by the benefit terms:

|                                                               |            |
|---------------------------------------------------------------|------------|
| Inactive employees currently receiving benefits               | 96         |
| Inactive employees entitled to but not yet receiving benefits | 35         |
| Active employees                                              | <u>171</u> |
| Total                                                         | <u>302</u> |

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(11) Other postemployment benefit plan (continued)OPEB liability

The City's total OPEB liability of \$852,276 was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

## Actuarial assumptions

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inflation                                | 2.50%                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Salary increases                         | 3.50% to 11.5% including inflation                                                                                                                                                                                                                                                                                                                                                                                                         |
| Discount rate *                          | 1.84%                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 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       | 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.                                                                                                                                                                                                                                                                                                                   |
| Mortality rates - disabled retirees      | 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor. |

\* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.



## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(11) Other postemployment benefit plan (continued)OPEB liability (continued)

Changes in the OPEB liability:

|                                                   |                          |
|---------------------------------------------------|--------------------------|
| Balance at December 31, 2020                      | \$ 791,986               |
| Changes for the year:                             |                          |
| Service cost                                      | 35,526                   |
| Interest on the OPEB liability                    | 16,069                   |
| Changes of benefit terms                          | -                        |
| Difference between expected and actual experience | (5,096)                  |
| Change of assumptions                             | 26,398                   |
| Benefit payments                                  | <u>(12,607)</u>          |
| Net changes                                       | <u>60,290</u>            |
| Balance at December 31, 2021                      | <u><u>\$ 852,276</u></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 2.00%, as well as what the City's total OPEB liabilities would be if it were calculated using a discount rate that is 1-percentage-point lower (1.00%) or 1-percentage-point higher (3.00%) than the current rate:

| <u>1% Decrease in<br/>Discount Rate (0.84%)</u> | <u>Discount Rate (1.84%)</u> | <u>1% Increase in<br/>Discount Rate (2.84%)</u> |
|-------------------------------------------------|------------------------------|-------------------------------------------------|
| <u>\$ 1,044,693</u>                             | <u>\$ 852,276</u>            | <u>\$ 704,614</u>                               |

OPEB expenses, deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended September 30, 2022, the City recognized OPEB expense of \$76,657.

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(11) Other postemployment benefit plan (continued)OPEB expenses, deferred outflows of resources and deferred inflows of resources related to OPEB (continued)

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                            | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|------------------------------------------------------------|-----------------------------------|----------------------------------|
| Difference between expected and actual economic experience | \$ -                              | \$ -                             |
| Changes in actuarial assumptions                           | 150,454                           | 35,088                           |
| Contributions subsequent to the measurement date           | <u>23,915</u>                     | <u>-</u>                         |
| Total                                                      | <u><u>\$ 174,369</u></u>          | <u><u>\$ 35,088</u></u>          |

The City reported \$23,915 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of OPEB for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to the OPEB liability will be recognized in OPEB expense as follows:

| Year Ended<br>September 30, |                          |
|-----------------------------|--------------------------|
| 2022                        | \$ 35,186                |
| 2023                        | 28,713                   |
| 2024                        | 32,919                   |
| 2025                        | 16,060                   |
| 2026                        | 2,488                    |
| Thereafter                  | <u>-</u>                 |
| Total                       | <u><u>\$ 115,366</u></u> |

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2022

(12) 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; and natural disasters for which the City participates in the Texas Municipal League's General Liability Fund. In addition, the City participates in the Texas Municipal League's Workers' Compensation Fund to insure the City for workers' compensation claims. The City has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts in the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The liability for claims and judgements is only reported in the government-wide financial statements because it is not expected to be liquidated with expendable available financial resources. However, none are reported at September 30, 2022.

(13) Contingent liabilities

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

(14) Closure and post-closure care costs

State and federal laws and regulations require that the City of Fredericksburg place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability must be recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill capacity used to date. Estimated liability for landfill closure and post-closure care costs has a balance of \$4,043,837 at September 30, 2022, which is based on 92.58% usage of current open cells and 53.44% usage of the entire landfill. The landfill is expected to be filled to capacity in 2043. The estimated total current cost of the landfill closure and post-closure care is based on a third party completing the actual work. The amount includes costs for equipment, facilities, and services required to close, monitor, and maintain the landfill as if purchased at September 30, 2022. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

(15) Subsequent events

The City has evaluated subsequent events through April 18, 2023, the date which the financial statements were available to be issued.



## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by GASB but are not considered a part of the basic financial statements.





**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**

**For the year ended September 30, 2022**

|                             | Budget Amounts    |                   | GAAP Basis        | Variance<br>with Final Budget |
|-----------------------------|-------------------|-------------------|-------------------|-------------------------------|
|                             | Original          | Final             | Actual            | Positive<br>(Negative)        |
| Revenues:                   |                   |                   |                   |                               |
| General property taxes      | \$ 4,344,520      | \$ 4,344,520      | \$ 4,340,505      | \$ (4,015)                    |
| General sales and use taxes | 8,500,000         | 8,500,000         | 8,680,999         | 180,999                       |
| Hotel occupancy tax         | 5,841,549         | 5,841,549         | 5,805,870         | (35,679)                      |
| Other taxes                 | 519,965           | 519,965           | 592,609           | 72,644                        |
| Franchise fees              | 352,400           | 352,400           | 348,343           | (4,057)                       |
| License and permits         | 368,692           | 368,692           | 334,822           | (33,870)                      |
| Fines                       | 125,500           | 125,500           | 106,115           | (19,385)                      |
| Pavilion and camping fees   | 830,500           | 830,500           | 922,516           | 92,016                        |
| Rentals                     | 162,200           | 162,200           | 289,990           | 127,790                       |
| Intergovernmental revenue   | 1,017,869         | 1,017,869         | 813,859           | (204,010)                     |
| Grants                      | 1,460,349         | 1,460,349         | 1,577,832         | 117,483                       |
| Investment earnings         | 8,500             | 8,500             | 96,108            | 87,608                        |
| Other revenues              | <u>1,039,910</u>  | <u>1,039,910</u>  | <u>926,442</u>    | <u>(113,468)</u>              |
| Total revenues              | <u>24,571,954</u> | <u>24,571,954</u> | <u>24,836,010</u> | <u>264,056</u>                |
| Expenditures:               |                   |                   |                   |                               |
| Municipal court             | 310,243           | 310,243           | 288,463           | 21,780                        |
| Engineering                 | 274,005           | 274,005           | 202,960           | 71,045                        |
| Administration              | 4,936,863         | 4,936,863         | 1,799,402         | 3,137,461                     |
| Tourism                     | 5,543,864         | 5,543,864         | 4,703,852         | 840,012                       |
| Police                      | 6,640,857         | 6,640,857         | 5,744,400         | 896,457                       |
| Fire                        | 2,187,205         | 2,187,205         | 1,546,109         | 641,096                       |
| Emergency management        | 242,605           | 242,605           | 196,885           | 45,720                        |
| Streets                     | 2,612,690         | 2,612,690         | 1,758,118         | 854,572                       |
| Parks                       | 3,289,338         | 3,289,338         | 2,223,589         | 1,065,749                     |
| Health                      | 251,069           | 251,069           | 243,469           | 7,600                         |
| Food and wine festival      | 170,100           | 170,100           | 167,089           | 3,011                         |
| Development services        | 1,249,274         | 1,249,274         | 920,930           | 328,344                       |
| Debt service:               |                   |                   |                   |                               |
| Principal                   | -                 | -                 | 498,788           | (498,788)                     |
| Interest and fiscal charges | -                 | -                 | 39,042            | (39,042)                      |
| Capital outlays             | <u>-</u>          | <u>-</u>          | <u>2,751,399</u>  | <u>(2,751,399)</u>            |
| Total expenditures          | <u>27,708,113</u> | <u>27,708,113</u> | <u>23,084,495</u> | <u>4,623,618</u>              |

(continued)

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**

**For the year ended September 30, 2022**

|                                                              | Budget Amounts        |                       | GAAP Basis           | Variance<br>with Final Budget |
|--------------------------------------------------------------|-----------------------|-----------------------|----------------------|-------------------------------|
|                                                              | Original              | Final                 | Actual               | Positive<br>(Negative)        |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>\$ (3,136,159)</u> | <u>\$ (3,136,159)</u> | <u>\$ 1,751,515</u>  | <u>\$ 4,887,674</u>           |
| Other financing sources (uses):                              |                       |                       |                      |                               |
| Sale of real and personal property                           | 52,000                | 52,000                | 48,400               | (3,600)                       |
| Transfers in                                                 | 2,263,786             | 2,263,786             | 2,617,100            | 353,314                       |
| Transfers out                                                | -                     | -                     | (1,576,128)          | (1,576,128)                   |
| Proceeds from capital leases                                 | <u>-</u>              | <u>-</u>              | <u>876,811</u>       | <u>876,811</u>                |
| Total other financing<br>sources (uses)                      | <u>2,315,786</u>      | <u>2,315,786</u>      | <u>1,966,183</u>     | <u>(349,603)</u>              |
| Net change in fund balance                                   | <u>(820,373)</u>      | <u>(820,373)</u>      | <u>3,717,698</u>     | <u>4,538,071</u>              |
| Fund balance - beginning of year                             | <u>15,559,342</u>     | <u>15,559,342</u>     | <u>15,559,342</u>    | <u>-</u>                      |
| Fund balance - end of year                                   | <u>\$ 14,738,969</u>  | <u>\$ 14,738,969</u>  | <u>\$ 19,277,040</u> | <u>\$ 4,538,071</u>           |

**TMRS NET PENSION LIABILITY**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

**For the measurement year ended December 31,**

|                                                                        | Measurement Year     |                      |                      |                      |                      |                      |
|------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                        | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 |
| <b>Total Pension Liability</b>                                         |                      |                      |                      |                      |                      |                      |
| Service cost                                                           | \$ 1,963,090         | \$ 1,846,917         | \$ 1,495,978         | \$ 1,190,542         | \$ 1,074,769         | \$ 1,004,489         |
| Interest (on the total pension liability)                              | 4,310,479            | 4,037,770            | 3,451,697            | 2,981,765            | 2,674,435            | 2,528,093            |
| Changes of benefit terms                                               | -                    | 4,932,372            | 4,413,316            | 1,917,387            | -                    | -                    |
| Difference between expected and actual experience                      | 534,109              | 269,471              | 517,459              | (104,329)            | 301,986              | (47,068)             |
| Change of assumptions                                                  | -                    | -                    | (63,087)             | -                    | -                    | -                    |
| Benefit payments, including refunds of employee contributions          | (2,403,440)          | (1,940,785)          | (1,713,855)          | (1,630,273)          | (1,316,569)          | (1,388,695)          |
| Net change in total pension liability                                  | 4,404,238            | 9,145,745            | 8,101,508            | 4,355,092            | 2,734,621            | 2,096,819            |
| Total pension liability - beginning                                    | 64,079,123           | 54,933,378           | 46,831,870           | 42,476,778           | 39,742,157           | 37,645,338           |
| Total pension liability - ending (a)                                   | <u>\$ 68,483,361</u> | <u>\$ 64,079,123</u> | <u>\$ 54,933,378</u> | <u>\$ 46,831,870</u> | <u>\$ 42,476,778</u> | <u>\$ 39,742,157</u> |
| <b>Plan Fiduciary Net Position</b>                                     |                      |                      |                      |                      |                      |                      |
| Contributions - employer                                               | \$ 2,506,293         | \$ 1,746,763         | \$ 1,216,750         | \$ 961,243           | \$ 931,010           | \$ 843,151           |
| Contributions - employee                                               | 802,197              | 646,152              | 520,884              | 500,649              | 488,976              | 455,757              |
| Net investment income                                                  | 6,330,327            | 3,394,685            | 5,990,998            | (1,202,616)          | 4,877,963            | 2,235,297            |
| Benefit payments, including refunds of employee contributions          | (2,403,440)          | (1,940,785)          | (1,713,855)          | (1,630,273)          | (1,316,569)          | (1,388,695)          |
| Administrative expense                                                 | (29,284)             | (21,967)             | (33,845)             | (23,238)             | (25,272)             | (25,238)             |
| Other                                                                  | 199                  | (857)                | (1,019)              | (1,214)              | (1,282)              | (1,360)              |
| Net change in plan fiduciary net position                              | 7,206,292            | 3,823,991            | 5,979,913            | (1,395,449)          | 4,954,826            | 2,118,912            |
| Plan fiduciary net position - beginning                                | 48,548,447           | 44,724,456           | 38,744,543           | 40,139,992           | 35,185,166           | 33,066,254           |
| Plan fiduciary net position - ending (b)                               | <u>\$ 55,754,739</u> | <u>\$ 48,548,447</u> | <u>\$ 44,724,456</u> | <u>\$ 38,744,543</u> | <u>\$ 40,139,992</u> | <u>\$ 35,185,166</u> |
| Net pension liability (a) - (b)                                        | <u>\$ 12,728,622</u> | <u>\$ 15,530,676</u> | <u>\$ 10,208,922</u> | <u>\$ 8,087,327</u>  | <u>\$ 2,336,786</u>  | <u>\$ 4,556,991</u>  |
| Plan fiduciary net position as a percentage of total pension liability | 81.41%               | 75.76%               | 81.42%               | 82.73%               | 94.50%               | 88.53%               |
| Covered payroll                                                        | <u>\$ 11,459,952</u> | <u>\$ 10,608,762</u> | <u>\$ 10,417,674</u> | <u>\$ 10,012,971</u> | <u>\$ 9,779,519</u>  | <u>\$ 9,115,142</u>  |
| Net pension liability as a percentage of total covered payroll         | 111.07%              | 146.39%              | 98.00%               | 80.77%               | 23.89%               | 49.99%               |

\*GASB 68 requires 10 fiscal years of data to be provided in this schedule. The City will develop the schedule prospectively.

**TMRS NET PENSION LIABILITY  
SCHEDULE OF CONTRIBUTIONS\***

**For the year ended September 30,**

|                                                                          | <u>2022</u>          | <u>2021</u>          | <u>2020</u>          | <u>2019</u>          | <u>2018</u>          | <u>2017</u>         |
|--------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| Actuarially determined contributions                                     | \$ 2,822,429         | \$ 2,309,826         | \$ 1,589,343         | \$ 1,146,021         | \$ 958,161           | \$ 914,856          |
| Contributions in relation to the<br>actuarially determined contributions | <u>2,822,429</u>     | <u>2,309,826</u>     | <u>1,589,343</u>     | <u>1,146,021</u>     | <u>958,161</u>       | <u>914,856</u>      |
| Contribution deficiency (excess)                                         | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>         |
| Covered payroll                                                          | <u>\$ 12,726,149</u> | <u>\$ 10,769,197</u> | <u>\$ 10,608,762</u> | <u>\$ 10,307,595</u> | <u>\$ 10,003,972</u> | <u>\$ 9,685,874</u> |
| Contributions as a percentage of<br>covered payroll                      | 22.18%               | 21.45%               | 14.98%               | 11.12%               | 9.58%                | 9.45%               |

\*GASB 68 requires 10 fiscal years of data to be provided in this schedule. The City will develop the schedule prospectively.

**SCHEDULE OF CHANGES IN TESRS NET PENSION  
LIABILITY AND RELATED RATIOS\***

**For the measurement year ended August 31,**

|                                                                            | Measurement Year  |                  |                   |                   |                   |                   |
|----------------------------------------------------------------------------|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                            | 2021              | 2020             | 2019              | 2018              | 2017              | 2016              |
| <b>Total Pension Liability</b>                                             |                   |                  |                   |                   |                   |                   |
| City's proportion of the net pension liability                             | 0.543%            | 0.543%           | 0.585%            | 0.640%            | 0.731%            | 0.716%            |
| City's proportionate share of net pension liability                        | <u>\$ 226,896</u> | <u>\$ 58,178</u> | <u>\$ 147,484</u> | <u>\$ 181,412</u> | <u>\$ 158,265</u> | <u>\$ 171,852</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 83.20%            | 83.20%           | 83.20%            | 80.20%            | 84.26%            | 81.40%            |

\*GASB 68 requires 10 fiscal years of data to be provided in this schedule. The City will develop the schedule prospectively.



**TESRS NET PENSION LIABILITY  
SCHEDULE OF CONTRIBUTIONS\***

**For the year ended September 30,**

|                                                                          | <u>2022</u>   | <u>2021</u>   | <u>2020</u>   | <u>2019</u>   | <u>2018</u>   | <u>2017</u>   |
|--------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Actuarially determined contributions                                     | \$ 32,880     | \$ 33,330     | \$ 35,130     | \$ 37,374     | \$ 55,956     | \$ 45,710     |
| Contributions in relation to the<br>actuarially determined contributions | <u>32,880</u> | <u>33,330</u> | <u>35,130</u> | <u>37,374</u> | <u>55,956</u> | <u>45,710</u> |
| Contribution deficiency (excess)                                         | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |

\*GASB 68 requires 10 fiscal years of data to be provided in this schedule. The City will develop the schedule prospectively.

**SCHEDULE OF CHANGES IN OTHER POSTEMPLOYMENT  
BENEFIT PLAN LIABILITY AND RELATED RATIOS\***

**For the measurement year ended December 31,**

|                                                            | Measurement Year     |                      |                      |                      |                     |
|------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
|                                                            | 2021                 | 2020                 | 2019                 | 2018                 | 2017                |
| <b>OPEB liability</b>                                      |                      |                      |                      |                      |                     |
| Service cost                                               | \$ 35,526            | \$ 26,924            | \$ 17,710            | \$ 22,029            | \$ 18,581           |
| Interest (on the OPEB liability)                           | 16,069               | 18,311               | 19,783               | 18,323               | 17,987              |
| Changes of benefit terms                                   | -                    | -                    | -                    | -                    | -                   |
| Difference between expected and actual experience          | (5,096)              | (9,196)              | (12,748)             | (14,581)             | -                   |
| Change of assumptions                                      | 26,398               | 105,698              | 107,513              | (39,852)             | 43,885              |
| Benefit payments **                                        | <u>(12,607)</u>      | <u>(4,308)</u>       | <u>(4,167)</u>       | <u>(4,006)</u>       | <u>(4,890)</u>      |
| Net change in OPEB liability                               | 60,290               | 137,429              | 128,091              | (18,087)             | 75,563              |
| OPEB liability - beginning                                 | <u>791,986</u>       | <u>654,557</u>       | <u>526,466</u>       | <u>544,553</u>       | <u>468,990</u>      |
| OPEB liability - ending                                    | <u>\$ 852,276</u>    | <u>\$ 791,986</u>    | <u>\$ 654,557</u>    | <u>\$ 526,466</u>    | <u>\$ 544,553</u>   |
| Covered payroll                                            | <u>\$ 11,459,952</u> | <u>\$ 10,608,762</u> | <u>\$ 10,417,674</u> | <u>\$ 10,012,971</u> | <u>\$ 9,779,519</u> |
| OPEB liability as a percentage<br>of total covered payroll | 7.44%                | 7.47%                | 6.28%                | 5.26%                | 5.57%               |

\*GASB 75 requires 10 fiscal years of data to be provided in this schedule. This is the fifth year of implementation of GASB 75. The City will develop the schedule prospectively.

\*\*Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

**OTHER POSTEMPLOYMENT BENEFIT PLAN LIABILITY  
SCHEDULE OF CONTRIBUTIONS\***

**For the year ended September 30,**

|                                                                          | <u>2022</u>          | <u>2021</u>          | <u>2020</u>          | <u>2019</u>          | <u>2018</u>          |
|--------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Actuarially determined contributions                                     | \$ 31,499            | \$ 26,934            | \$ 24,400            | \$ 23,429            | \$ 22,286            |
| Contributions in relation to the<br>actuarially determined contributions | <u>31,499</u>        | <u>26,934</u>        | <u>24,400</u>        | <u>23,429</u>        | <u>22,286</u>        |
| Contribution deficiency (excess)                                         | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          |
| Covered payroll                                                          | <u>\$ 12,726,149</u> | <u>\$ 10,769,197</u> | <u>\$ 10,608,762</u> | <u>\$ 10,307,595</u> | <u>\$ 10,003,972</u> |
| Contributions as a percentage of<br>covered payroll                      | 0.25%                | 0.25%                | 0.23%                | 0.23%                | 0.22%                |

\*GASB 75 requires 10 fiscal years of data to be provided in this schedule. This is the fifth year of implementation of GASB 75. The City will develop the schedule prospectively.

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2022

(1) Budget information

The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council and as such is a good management control device.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level. The City Manager may transfer budgeted amounts within departments within any fund; however, transfers between departments and funds must be approved by City Council.

(2) Schedule of contributions – net pension liability**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 | 26 years                                                                                                                                                                                                                                                                                                                                                   |
| Asset valuation method        | 10 year smoothed market, 12% soft corridor                                                                                                                                                                                                                                                                                                                 |
| Inflation                     | 2.50%                                                                                                                                                                                                                                                                                                                                                      |
| Salary increases              | 3.5% to 11.50% 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 2019 valuation pursuant to an experience study of the period 2014 - 2018.                                                                                                                                                                           |
| Mortality                     | Post Retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.<br>Pre-Retirement: PUB (10) mortality tables, with the Public Safety table used for males and the general employee table used for females. The rates are projected on a fully generational basis with scale UMP. |

**Other information:**

Increased employee contributions rate from 5% to 6%.

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2022

(3) Schedule of contributions – other postemployment benefit liability**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:**

|                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inflation                               | 2.50%                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Salary increases                        | 3.5% to 11.50% including inflation                                                                                                                                                                                                                                                                                                                                                                                                         |
| Discount rate *                         | 2.00%                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Retiree' 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      | 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.                                                                                                                                                                                                                                                                                                                   |
| Mortality rates - disabled retirees     | 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor. |

\* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

**Other information:**

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

## **COMPLIANCE SECTION**





INDEPENDENT AUDITOR’S 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*

To the Honorable Mayor and  
Members of the City Council  
City of Fredericksburg, Texas

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fredericksburg, Texas (the “City”) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated April 18, 2023.

### **Report on 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) as a basis for designing 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented or detected and corrected on 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 or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 financial statements. 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 or other matters 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 results 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.

San Antonio, Texas  
April 18, 2023

INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE FOR THE U.S. DEPARTMENT OF TREASURY  
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS PROGRAM (CSLFRF) REQUIREMENTS FOR  
AN ALTERNATIVE CSLFRF COMPLIANCE EXAMINATION ENGAGEMENT

To the Honorable Mayor and  
Members of the City Council  
City of Fredericksburg, Texas

We have examined of the City of Fredericksburg, Texas (the “City”) compliance with the compliance requirements “activities allowed or unallowed” and “allowable cost/cost principles” (the specified requirements) as described in Part IV “Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds” of the CSLFRF section of the 2022 OMB Compliance Supplement (referred to herein as “Requirements for an Alternative CSLFRF Compliance Examination Engagement”) during the year ended September 30, 2022. Management of the City is responsible for the City’s compliance with the specified requirements. Our responsibility is to express an opinion on the City’s compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in the “Requirements for an Alternative CSLFRF Compliance Examination Engagement.” Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City’s compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the specified requirements referenced above during the year ended September 30, 2022.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on the City's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on the City's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under *Government Auditing Standards*.

**Intended Purpose**

The purpose of this examination report is solely to express an opinion on whether the City of Fredericksburg, Texas complied, in all material respects with the specified requirements referenced above during the year ended September 30, 2022. Accordingly, this report is not suitable for any other purpose.

San Antonio, Texas  
April 18, 2023



## **CITY COUNCIL AGENDA MEMO**

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**DEPARTMENT:** Parks and Recreation  
**TO:** Mayor & City Council Members  
**FROM:** Andrea Schmidt, Parks and Recreation  
Director

**MEETING DATE:** April 18, 2023

**CATEGORY:** OTHER ACTION ITEMS AND  
UPDATES

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**CAPTION:** Take action on a new lease agreement with Hill Country United for use of the property next to Oakcrest Park for soccer fields (Andrea Schmidt, Director of Parks and Recreation)

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### **PRESENTATION:**

#### **SUMMARY:**

In August of 2018, City Council approved a lease agreement with the American Youth Soccer Organization Region 714 – Fredericksburg, TX (AYSO Fredericksburg) to construct soccer fields on 12.7 acres next to Oakcrest Park. This agreement automatically renewed in April 2020, for successive one-year terms. In 2022, the local soccer association changed their organizational structure and are now Hill Country United. They requested a new lease agreement under their new name. A letter terminating the current lease was mailed in early February 2023. This new lease with Hill Country United would take effect on May 1, 2023, and automatically renew on a month-to-month basis.

#### **BACKGROUND:**

An agreement with AYSO Fredericksburg was approved in 2018, to construct soccer fields on 12.7 acres next to Oakcrest Park. They constructed fields and have maintained them since that time. In 2022, the local soccer association changed their organizational structure and requested a new agreement under their new name: Hill Country United. A termination letter was mailed to AYSO Fredericksburg terminating the Park Use Agreement from 2018, effective as of the expiration of the current contract term on April 30, 2023. The notice was provided more than thirty days prior to the next automatic renewal date of April 30, 2023. The new agreement with Hill Country United would begin on May 1, 2023.

#### **FUNDING SOURCE:**

#### **FINANCIAL IMPACT:**

#### **STAFF RECOMMENDATION:**

Consider approving a new park use agreement with Hill Country United for use of 12.7 acres adjacent to Oakcrest Park for soccer fields.

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**COMMUNITY VISIONING/STRATEGIC INITIATIVES:**

Business Visioning  
Government Vision  
Family Life Vision  
Quality of Life Vision X

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**ATTACHMENTS:**

1. clean.Soccer Fields Agreement - Hill Country United

**APPROVAL/REVIEW:**

*Andrea Schmidt*

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Andrea Schmidt, Parks and Recreation Director

Date: March 21, 2023

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Laura Hollenbeak, Finance Director

Date: March 29, 2023

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William McKamie, City Attorney

Date: March 29, 2023

*Shelley Goodwin*

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Shelley Goodwin, City Secretary

Date: April 11, 2023

*Clinton Bailey*

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Clinton Bailey, City Manager

Date: April 12, 2023

## NON-PROFIT ORGANIZATION PARK USE AGREEMENT

This Non-Profit Organization Park Use Agreement (“Agreement”) is entered into between the City of Fredericksburg, Texas (“City”) and Hill Country United Soccer Club (“User”), a Texas non-profit organization, collectively referred to herein as the “parties.”

WHEREAS, as a public service, User desires to operate temporary soccer fields upon City property, for the benefit and improvement of the community.

NOW, THEREFORE, in consideration of the mutual agreements set forth in this Agreement, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

### I.

User shall have the right to occupy and manage approximately 12.7 acres of undeveloped City-owned land (the “Premises”) adjacent to Oak Crest Park in Fredericksburg, Texas, at the location specifically set forth in the attached Exhibit A. User shall allow third parties to schedule use of the Premises on such days and times that User does not have a scheduled event, and User shall administer scheduling for any use of the Premises by third parties. User may reasonably limit third party use of the Premises to prevent overuse or damage to the Premises, as determined by User. Requests for available dates or scheduling for any use of the Premises by the third parties shall be made to User. User acknowledges and agrees that User has no ownership or exclusive leasehold interest of any kind in the Premises, and User may not exclude City from entering the Premises at any time for any reason, provided that City shall not unreasonably interfere with User’s use of the Premises or User’s events in progress upon the Premises.

### II.

User shall be entitled to occupy, manage, and use the Premises on a month-to-month basis commencing on the date this Agreement is executed by both parties and ending upon thirty (30) days’ notice of termination from either party to the other party.

City may terminate this Agreement immediately upon any Default by User. For the purposes of this paragraph, “Default” means (a) any material breach of the terms of this Agreement by User not cured within ten (10) days following written notice of said breach; (b) the loss of User’s status as a non-profit entity; or (c) the non-renewal or lapse of User’s Insurance coverage as required in this Agreement.

### III.

User shall not use any part of the Premises for any purpose other than the activities expressly and specifically stated in this Agreement, as follows:

1. User may hold soccer practice and scrimmages, soccer games, soccer camps, and soccer tournaments.

2. User may sell concessions and other concerns consistent with User's allowable activities on the Premises. User may provide portable restrooms consistent with User's allowable activities on the Premises. User shall pay and discharge all sales taxes or other assessments applicable to and arising out of the operation and sale of concessions, and shall obtain and comply with all applicable laws, rules, or regulations by any governmental entity concerning permitting, licensing, or other provisions. User shall obtain any necessary health permits and/or sales tax permits required for sale of goods and/or food products.

3. User may design, construct, and maintain one or more temporary soccer fields ("Fields") on the Premises. User is solely responsible for providing all funding and paying all costs necessary to design, engineer, construct, maintain, and equip the Fields, excepting any costs or services City is specifically obligated to provide under this Agreement. The design, engineering, and construction of the Fields by User shall conform to plans that are preapproved by City, which approval shall not be unreasonably withheld.

#### IV.

User, at User's sole cost and expense, shall:

1. Keep all grounds and improvements on the Premises in a good state of appearance, reasonable wear and tear excepted;
2. Maintain the grounds of the Fields on the Premises, including but not limited to field marking/stripping, mowing, and irrigating;
3. Pay all costs for utility service used at the Premises by User or User's authorized party, except that City will empty, on a weekly basis and at City's sole cost, any City owned trash cans placed on the Premises by City;
4. Post safety and warning signs in or on the Premises, in the manner, number, and location as reasonably requested by City;
5. Securely anchor or counter-weight soccer goals at all times; and
6. Notify City as soon as practicable of any known hazard or condition on the Premises that presents a danger to any user of the Premises.

#### V.

User may subcontract with a third party to perform services under Article III and Article IV herein on behalf of User, and to perform other services consistent with and necessary for User's activities on the Premises, provided City is notified of said subcontractor prior to subcontractor performing any services on behalf of User at the Premises. User's subcontractors/vendors shall pay and discharge all sales taxes or other assessments applicable to and arising out of the operation and sale of concessions of other goods and services upon the Premises, and shall obtain and comply

with all applicable federal, state, and local laws, rules, or regulations, including but not limited to such laws, rules, and regulations concerning permitting and licensing.

## VI.

User shall not:

1. Erect, construct, alter, remodel, or change any facilities or improvements on the Premises without express written approval from City, other than the improvements specifically authorized in this Agreement.
2. Collect any entry fee (distinguished from a use fee) for entry into the Premises, or collect any fee for parking on the Premises.
3. Collect any unconscionable or exorbitant fee from a third party for the use of the Premises or for the use of sports equipment owned by User located on the Premises.
4. Sell, sublease, or assign any of its rights or obligations under this Agreement during the lease term, other than as expressly authorized in this Agreement.
5. Use any part of the Premises for any purpose in violation of any federal, state, or local law, statute, ordinance, rule, or regulation.

## VII.

User shall maintain financial books and records during the term of this Agreement, together with such supporting or underlying documents and materials as necessary, including but not limited to records related to User's collection of use fees, tournament fees, payments made for supplies, and concession revenue. City shall have the right to review all User books and records (in whatever form they may be kept, whether written, electronic, or other) relating to or pertaining to User's use of the Premises under this Agreement, kept by or under the control of User, including but not limited to those kept by User or its board members, volunteers, agents, assigns, and successors.

## VIII.

User shall obtain and maintain general liability insurance written on an occurrence basis with limits of not less than \$1,000,000 combined single limit per location and \$2,000,000 aggregate for personal injury, bodily injury, and property damage. City and its officers, agents, and employees shall be named as an additional insured on the insurance policy.

## IX.

USER HEREBY AGREES TO RELEASE, INDEMNIFY, HOLD HARMLESS, AND DEFEND THE CITY, INCLUDING ITS OFFICERS, AGENTS, OR EMPLOYEES, FROM ANY AND ALL LIABILITY, CLAIMS, DEMANDS, ACTIONS, AND CAUSES OF ACTION WHATSOEVER ARISING OUT OF OR RELATED TO ANY LOSS, DAMAGE OR INJURY,

INCLUDING DEATH, RELATED TO OR ARISING FROM USER'S USE OR MAINTENANCE OF THE PREMISES UNDER THIS AGREEMENT, EXCEPT FOR LOSSES, DAMAGES, OR INJURIES CAUSED BY THE SOLE NEGLIGENCE OF CITY. CITY EXPRESSLY ACKNOWLEDGES AND AGREES THAT THE FOREGOING SENTENCE IS NOT APPLICABLE TO ANY LOSS, DAMAGE OR INJURY SUFFERED BY A THIRD PARTY AND UNRELATED TO USER'S USE OR MAINTENANCE OF THE PREMISES.

X.

A. Notices. Any notice required hereunder shall be deemed given if such notice is in writing and mailed by certified mail, postage prepaid, or hand-delivered to the address of such party as provided below:

1. if to the City, to:  
City of Fredericksburg  
Attention: City Manager  
126 W. Main St.  
Fredericksburg, TX 78624
2. if to User, to:  
Hill Country United  
375 Bermuda Ln.  
Fredericksburg, TX 78624

B. No Waiver. No delay by a party in enforcing any part of this Agreement shall be deemed a waiver of any of that party's rights or remedies, nor shall such delay be deemed a waiver of any subsequent breach or default by the other party.

C. Severability. Each and every covenant and obligation contained in this Agreement is and shall be construed to be a separate and independent covenant and obligation. If any term or provision of this Agreement, or its application to any person or circumstances, shall to any extent be held invalid, illegal, or unenforceable, the remainder of this Agreement shall not be affected thereby, and each and every other term and provision shall be enforced to the fullest extent permitted by law as if the invalid, illegal, or unenforceable provision had never been included in this Agreement.

D. Venue and Applicable Law. The parties hereto agree that the laws of the State of Texas shall govern the interpretation, validity, performance, and enforcement of this Agreement. Venue for any action involving this Agreement shall be solely and exclusively in the courts of Gillespie County, Texas.

E. Construction and Interpretation. Each of the parties has read and understands the meaning and effect of this Agreement. The parties agree that in the construction and interpretation of the terms of this Agreement the rule of construction that a document is to be construed most strictly against the party who prepared same shall not be applied, it being agreed that the Agreement should be construed fairly and simply and not strictly against either party.

F. Binding Effect. This Agreement binds and inures to the benefit of the parties and their respective legatees, devisees, heirs, executors, legal and personal representatives, assigns, transferees, assigns, and successors in interest. The rights, obligations, and duties under this Agreement shall not be assigned by either party without the express written consent of the other party.

G. Entire Agreement. This Agreement constitutes the entirety of the agreement between the parties regarding the subject matter herein and supersedes any prior or contemporaneous verbal or written agreements between the parties regarding such subject matter. If any provisions in this Agreement conflict with any provisions in any other previously executed instrument, this Agreement shall control.

H. Amendments. No amendment, modification, or alteration of the terms of this Agreement shall be binding unless reduced to writing, dated, and duly executed by the parties subsequent to the date of this Agreement.

I. No Agency. The relationship between the parties under this Agreement is that of independent contracting entities. User is not an agent or employee of City, and User's officers, agents, and employees are not officers, agents, or employees of City.

J. Survival. Article IX of this Agreement shall survive the termination of this Agreement.

K. Non-Discrimination and Compliance with Law. All work performed by User or User's contractors in furtherance of this Agreement shall provide for the fair, equal, and nondiscriminatory treatment of all persons. All work performed by User or User's contractors in furtherance of this Agreement shall comply with applicable federal, state and local laws, rules, and regulations.

L. Authority. The signatories to this Agreement hereby represent that they have full legal authority to execute this Agreement on behalf of their respective entities.

{Remainder of this page intentionally blank}



IN WHNESS WHEREOF, each of the parties hereto has executed this Agreement, or caused the same to be executed by its duly authorized representative.

HILL COUNTRY UNITED SOCCER CLUB

By: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: Daniel Kemp

Title: Registered Agent

CITY OF FREDERICKSBURG, TEXAS

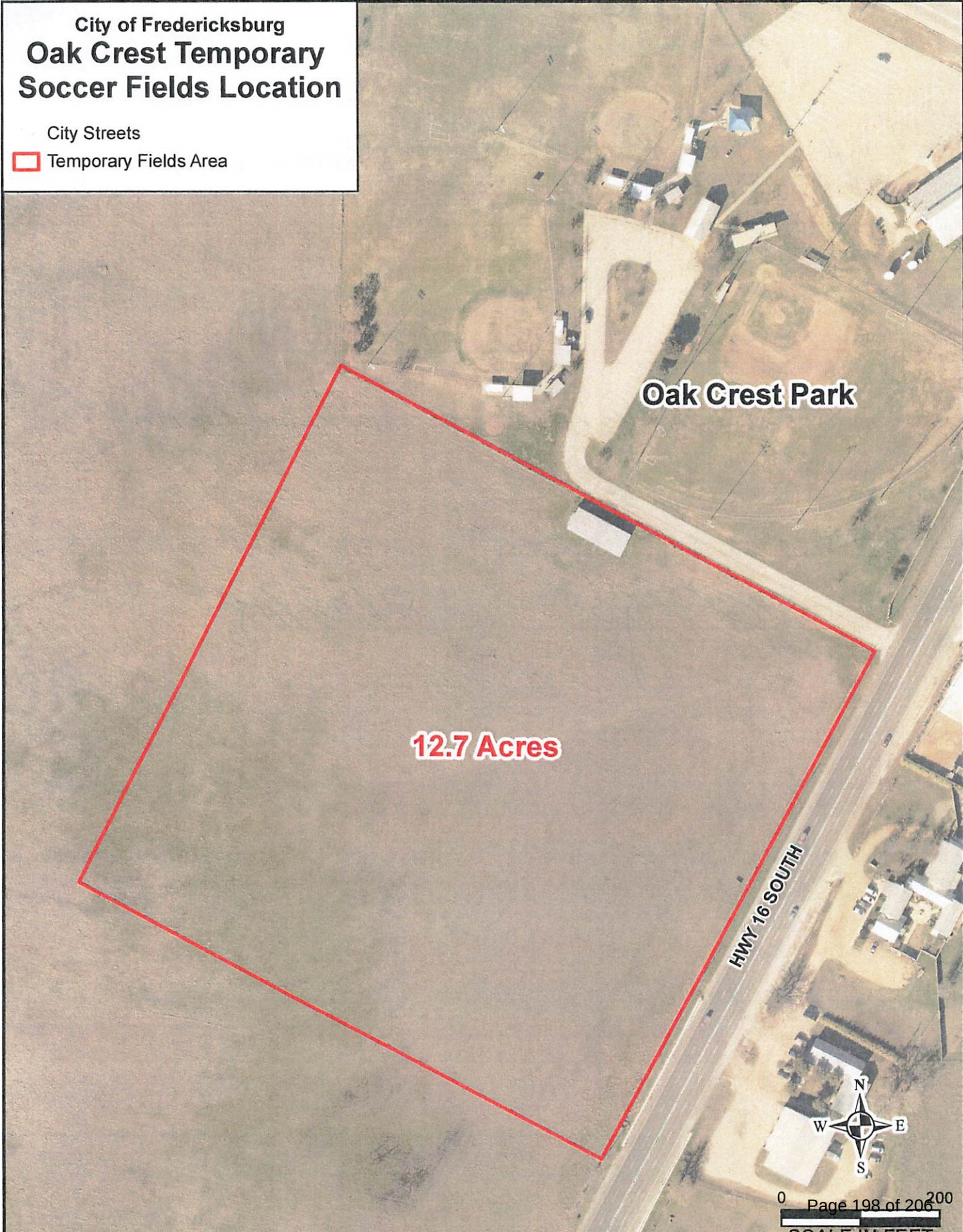
By: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: Clinton Bailey

Title: City Manager

EXHIBIT A







## **CITY COUNCIL AGENDA MEMO**

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**DEPARTMENT:** Parks and Recreation  
**TO:** Mayor & City Council Members  
**FROM:** Andrea Schmidt, Parks and Recreation  
Director

**MEETING DATE:** April 18, 2023

**CATEGORY:** OTHER ACTION ITEMS AND  
UPDATES

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**CAPTION:** Take action on a request to waive fees up to a maximum of \$1,500 for the Fredericksburg Optimist Club to use fields at Lady Bird Johnson Municipal Park during Spring T-Ball Season (Andrea Schmidt, Director of Parks and Recreation)

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### **PRESENTATION:**

#### **SUMMARY:**

The Fredricksburg Optimist Club is requesting a fee waiver for use of Field A at Lady Bird Johnson Municipal Park. In the past, they have only used the T-ball field at LBJMP. Over the last two years, they have seen a large increase in registration and can no longer schedule all games and practices on one field. They are requesting use of field A or available fields with a fee waiver.

#### **BACKGROUND:**

The Optimist T-ball league has historically begun in May with the league lasting through June. The Fredericksburg Optimist Club built the t-ball field and therefore no fee has been historically charged for their use of this field during the season. Due to the increase in participation, they need two fields now to accommodate all teams. They are asking for a fee waiver for the use of the second field.

The Optimist T-ball League plays games two days a week and practices several other days each week. The fee for ballfield reservations is \$25 per field, per day. The total fee waiver for the Optimist Club would be approximately \$1,225 for both games and practice use on a second field. We would like a fee waiver, not to exceed \$1,500 per year, to be considered for the Optimist Club during their annual spring t-ball league.

In addition to building the t-ball field, the Fredericksbburg Optimist Club makes contributions to the city parks system annually with support of the New Year's Eve event, Touch-a-truck and other events and programs. In 2021, they also contributed \$30,000 toward the construction of the new playground at Marktplatz.

#### **FUNDING SOURCE:**

#### **FINANCIAL IMPACT:**

\$1,500

**STAFF RECOMMENDATION:**

Consider waiving fees up to a maximum of \$1,500 annually for the Optimist Club to use ballfields during their spring t-ball season.

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**COMMUNITY VISIONING/STRATEGIC INITIATIVES:**

Business Visioning  
Government Vision  
Family Life Vision  
Quality of Life Vision X

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**ATTACHMENTS:**

1. Waiver request 2023

**APPROVAL/REVIEW:**

*Andrea Schmidt*

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Andrea Schmidt, Parks and Recreation Director

Date: April 11, 2023

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William McKamie, City Attorney

Date: April 11, 2023

*Shelley Goodwin*

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Shelley Goodwin, City Secretary

Date: April 11, 2023

*Clinton Bailey*

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Clinton Bailey, City Manager

Date: April 12, 2023



Fredericksburg City Council  
126 W Main St  
Fredericksburg, TX 78624

Dear Members:

The Optimist Club of Fredericksburg, TX requests a waiver on the cost of baseball field A at Lady Bird Johnson Park for the total t-ball games of our 2023 season, May through June. We have so many children registered for t-ball this season that we need field A in addition to the t-ball field to accommodate all the necessary games.

The Optimist Club has supported the city in various contributions: sponsor of the children's New Year's Eve party annually; participation in Touch-A-Truck annually; and most importantly \$30,000 for the MarktPlatz playground.

We humbly ask this request.

Winnie Owen  
President

**City Council Regular Meeting  
May 2, 2023**

|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                   |                 |                                        |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------|----------------------------------------|
| 2023-102 | Consider approval of City Council Minutes for April 18, 2023 and April 18, 2023, Joint Meeting                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Consent - Approve | Shelley Goodwin | City Secretary                         |
| 2023-111 | Consideration of approving a future nature center at LBJMP in concept, so fundraising may begin.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Approve           | Andrea Schmidt  | Parks and Recreation                   |
|          | Amendment to the LCRA Radio Agreement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Approve           | Lynn Bizzell    | Fire Chief                             |
| 2023-140 | Franchise Agreement - Universal Natural Gas LLC (Kris Kneese, Director of Public Works and Utilities)<br>i. Presentation<br>ii. Adoption of Ordinance 2023-05 granting to Universal Natural Gas, LLC (D/B/A Universal Natural Gas, Inc.) and its successors and assigns, for a period of twenty (20) years from the effective date of this Ordinance, a non-exclusive franchise and right to enter the public ways to install, operate, and maintain a distribution system within, along, across, over, and under the public ways of the City of Fredericksburg, Texas for the transportation, distribution, and/or sale of gas to customers and the public generally in the City; defining the words and phrases therein; providing for assignment, sale, or lease of the franchise; providing for use and repair of the public ways; providing for regulation of service; establishing depth of pipelines; establishing rights and duties in the movement and alteration of pipelines; providing for indemnification of the City; | Adopt             | Kris Kneese     | Director of Public Works and Utilities |



providing for inspection of Grantee's records; requiring Grantee to pay a Franchise Fee; providing for conditions of the franchise; providing for construction of this Ordinance upon the invalidity of any part thereof; providing for acceptance of this franchise by Grantee and both an effective and an operative date thereof; repealing all other Ordinances directly in conflict herewith; providing for severability; providing for publication and prescribing an effective date (second reading, previous reading was held on April 4, 2023)

|          |                                                                                                                                                                            |         |                                  |                              |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|----------------------------------|------------------------------|
| 2023-215 | Discussion on securing the future viability of Fredericksburg Middle School (Mayor Hoover and Councilmember Kirchner)                                                      | Discuss | Mayor and Councilmember Kirchner |                              |
| 2023-111 | Consider approval of a conceptual plan for a future nature center to be constructed by the Friends of the Fredericksburg Nature Center at Lady Bird Johnson Municipal Park | Approve | Andrea Schmidt                   | Parks and Recreation         |
| 2023-212 | 23-126 Landmark designation for 701 N. Milam - Jack Stehling home                                                                                                          | Approve | Anna Hudson                      | Interim Development Services |
| 2023-218 | Discuss and consider options for the future of Fort Martin Scott                                                                                                           | Approve | Andrea Schmidt                   | Parks and Recreation         |

**City Council Regular Meeting  
May 16, 2023**

|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                   |                 |                                  |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------|----------------------------------|
| 2023-102 | Consider approval of City Council Minutes for May 2, 2023                                                                                                                                                                                                                                                                                                                                                                                                                  | Consent - Approve | Shelley Goodwin | City Secretary                   |
| 2023-191 | <p>Z-2305 - Request by Rebecca Rather, Clayton Walvoord and Bradley Oehler to Consider the Following:</p> <p style="padding-left: 40px;">A. A Land Use Change from Low Density Residential (LDR) to Commercial (C) for Properties Located at 408, 412 and 414 East Austin Street.</p> <p style="padding-left: 40px;">B. A Zoning Change from (R1) Single Family Residential to (c1.5) Medium Commercial for properties located at 408, 412 and 414 East Austin Street.</p> | Approve           | Anna Hudson     | Interim Development Services     |
| 2023-197 | Z-2307: to consider a Conditional Use Permit per Section 3.110 to operate a STR-Unoccupied in a R2 Zoned Area located in the Historic District on property located at 501 East Creek St                                                                                                                                                                                                                                                                                    | Approve           | Lynn Bizzell    | Fire Chief                       |
| 2023-140 | Approve the extension of the Convention and Visitor's Center lease                                                                                                                                                                                                                                                                                                                                                                                                         | Adopt             | Andrea Schmidt  | Director of Parks and Recreation |
| 2023-71  | Consider adopting new fees and policies for sports facility usage. May 16th                                                                                                                                                                                                                                                                                                                                                                                                | Approve           | Andrea Schmidt  | Parks and Recreation             |

## Future Agenda Items

|          |                                                                                                                                                                                                                                                                                                                                                                                                                                           |                   |                |                                        |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------|----------------------------------------|
| 2023-65  | Consider the approval of a street closure request to close one southbound traffic lane and the parking lane adjacent to Marktplatz on North Adams from Austin to Main Street beginning Friday, October 20, 2023, at 7:00 a.m. until Sunday, October 22, 2023, at 12:00 p.m. for Bestfest.                                                                                                                                                 | Consent - Approve | Jennifer Krupa | Parks and Recreation                   |
| 2023-66  | Consider the approval of a street closure request to close W. San Antonio Street from S. Adams/State Highway 16 South to S. Crockett Street from TBD to TBD, for an event at the old jail facility hosted by the Gillespie County Historical Society (October 2023).                                                                                                                                                                      | Consent - Approve | Jennifer Krupa | Parks and Recreation                   |
| 2023-67  | Consider the approval of street closure requests for W. Crockett Street from N. Austin to N. Travis Street; W. Schubert (eastbound lane only) from N. Crockett to N. Adams Street, and N. Adams Street (southbound lane only) from W. Schubert to the church entrance on Adams Street; from 5:30 p.m. to 8:30 p.m., on both Friday and Saturday, December 8 & 9, 2023, for the Christmas Journey event hosted by Bethany Lutheran Church. | Consent - Approve | Jennifer Krupa | Parks and Recreation                   |
| 2023-74  | Consider naming rights for Marktplatz northwest corner project (summer 2023)                                                                                                                                                                                                                                                                                                                                                              | Approve           | Andrea Schmidt | Parks and Recreation                   |
| 2023-75  | Consider sponsoring the July 4th Parade. (early spring)                                                                                                                                                                                                                                                                                                                                                                                   | Approve           | Andrea Schmidt | Parks and Recreation                   |
| 2023-134 | Discussion and Consideration funding the extension of the Affordable Housing Coordinator Consulting Agreement                                                                                                                                                                                                                                                                                                                             | Discuss           | Clinton Bailey | City Manager                           |
| 2023-216 | Take action on Mark Pavlicek's Mariposa Drive apartment development in the City's ETJ request to connect to the City Water and Wastewater System (                                                                                                                                                                                                                                                                                        | Approve           | Kris Kneese,)  | Director of Public Works and Utilities |

